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American Newsfile

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293 HORNBY ROAD, BOMBAY.

"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, - that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of *Abrams v United States*.

January 2, 1946

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HITLER BEQUEATHED POSSESSIONS TO NAZI PARTY

Nuremberg, Jan. 1 -- Additional details of Adolf Hitler's final moments as leader of Nazi Germany were disclosed Sunday with the publication by the Allied military authorities of the complete texts of the Fuehrer's "political testament" and personal will.

Also made public were a document detailing "immediate conclusion" of Hitler's marriage to Eva Braun and an appendix to the "testament" in the form of a pledge from Joseph Goebbels to remain with Hitler until death. Bodies of Goebbels, his wife and children were found in the Reich chancellery after Berlin's collapse.

The document shows that Hitler and Eva Braun were married by Oberbuergermeister of Berlin, in a ceremony that waived all but ritual of formalities. Both principals were said to have requested marriage under exceptional circumstances."

It had been previously disclosed that Hitler in his last moments expelled both Reichsmarshal Hermann Goering and Gestapo Chief Heinrich Himmler from the Nazi party for "disloyalty to me" and for having brought "irreparable share on the country and the whole nation by secretly negotiating with the enemy without my knowledge and against my will and also by illegally attempting to seize control of the state."

Himmler committed suicide shortly after his apprehension by British forces in Germany; Goering is one of the high-ranking Nazis now on trial before the Allied war crimes tribunal here.

The documents show that Hitler followed these expulsions with the appointment of a completely new cabinet in which Grand Admiral Karl Doenitz, another Nuremberg defendant, was to have served as president, minister of war and supreme commander of the navy. Goebbels was named Reichschancellor and Martin Bormann, on trial in absentia before the Nuremberg court, was to have served as party minister. Robert Ley, also a Nuremberg defendant, was named "leader of the German labor front and member of the cabinet."

The so-called political testament was given over largely to the typical Nazi diatribe against "international Jewry" and denials that either Hitler or the German people desired war. The personal will, which named Bormann as executor, bequeathed "my possessions, in so far as they are worth anything, to the party, or, if this no longer exists, to the state. If the state, too, is destroyed there is no need for further instructions on my part."--USIS.

LEAGUE OF NATIONS ASSEMBLY WILL MEET SOON

Geneva, Jan. 1 -- The League of Nations Assembly will meet early in 1946, presumably for the last time, a report issued by the League stated Saturday. The report said one of the decisions to be made will be on the question of transfer of the League's funds, buildings and certain activities to the new United Nations Organization.---USIS.

PROSECUTION TO MAKE OUT INDIVIDUAL CASES IN NUREMBERG TRIALS

Nuremberg, Jan. 1 -- Naval Lieutenant Whitney R. Harris, of the United States prosecution staff at the Nuremberg war crimes trial, said today that when the international tribunal reconvenes Wednesday after a 21-day holiday recess, it will hear separate evidence against each of the 21 Nazi leaders being tried as war criminals.

Harris said that for the first time the prosecution would make an effort to show the individual role played by each of the defendants in relation to the war crimes charged in the indictment. First to be singled out, he said, will be Ernst Kaltenbrunner, former chief of the Nazi security police, now in hospital with cerebral hemorrhage.

During the holidays, press dispatches said, members of the court scattered throughout Europe and some even went to parts of Asia.---USIS.

JAPANESE WAR PRISONERS TO AID IN RECONSTRUCTION OF HAWAIIAN ISLANDS

Los Angeles, Dec. 31 -- The first group of Japanese prisoners to be sent from the United States -- more than 1,000 soldiers, sailors and civilians accompanied by camp cooks, corps of American military police and army guards -- sailed aboard a Dutch transport for Hawaii, Sunday. Their first job will be to help rebuild what the Japanese destroyed on the islands. Two more groups are scheduled to leave within the next ten days.---USIS.

U.S. ARMY SUPPLIES FOOD, FUEL AND CLOTHING TO VIENNA

Vienna, Dec. 31 -- General Mark W. Clark said Sunday that food, fuel, clothing and medical supplies had been brought to Vienna to alleviate suffering in the Austrian zone occupied by the United States forces. In the first month after the Americans' arrival 1,600 tons of staple food were delivered for the Viennese. Since then, the United States Army has brought in other supplies besides food.

At the suggestion of the United States Army, 10,000 children have been moved into rural homes.---USIS.

PROGRESS OF DENAZIFICATION IN AMERICAN ZONE REVIEWED

Berlin, Jan. 1 -- A dispatch Monday to the New York Times said the United States Army has now investigated some 783,000 Germans as possible objectionable Nazis and barred 21 per cent of them from jobs of any responsibility. The Times dispatch, published today, gave the office of the American military government as the source of the statistics. It has been necessary to retain 1,721 "unacceptables" in the medical field temporarily as indispensable, the American military government report stated. The Times dispatch continued in part:

Among those investigated, 4,010 in about half the local districts of the American zone were interrogated. The authorities cleared 3,780 and recommended to church officials removal of 197 besides the 33 previously removed.

Of the 783,000 Germans -- in addition to which the authorities now have on hand 285,000 more cases to examine -- the proportion of individuals who could produce evidence of having worked against the Nazis remained only one per cent. The inquiry was representative in that it was not confined to people suspected of Nazism, but it was possibly somewhat unrepresentative in that, of the 15 million to 20 million people in the American zone, it has concentrated so far on the administrative and commercial strata of the population and therefore may not have touched many of the "little people" among whom there may have been more anti-Nazi activity.

Forty-nine per cent of the individuals investigated had no record of pro-Nazi activity. In 29 per cent of cases, employment in managerial and supervisory
[REDACTED] recommendation" for eight per cent of

cities surveyed," the report said.

In the health field 5,746 Nazis were ousted from their jobs, including 2,855 doctors, 647 nurses, 150 midwives, 424 pharmacists, 400 veterinarians, and eight sanitary inspectors.

Of the 22,340 medical persons investigated, 26 per cent were found unacceptable. Twenty-nine per cent of the unacceptables, or 7.7 per cent of the total, are being retained in their jobs because of "operational necessity." This has been done because of the "difficulty of obtaining acceptable qualified replacements," the report said.

"The aggressive but careful removal of Nazis resulted in sufficient civilian personnel distribution for the medical needs of the German civil population and satisfactory German support of medical care for displaced persons," the report continued. There is now one doctor for every 1,194 German civilians, compared to the ratio of one to 1,587 during October.

In the purge of the Reichspost, which handles civilian postal, telephone and telegraph services, 37,727 individuals -- 66 per cent of the total personnel -- have been cleared, 9,499 have been discharged and 382 have been placed in detention.

In a survey 31 mayors and other political leaders in 17 cities and towns approved the general de-Nazification policy, but it was estimated that only about half the German people supported it. Half the officials thought that the purge of the civil administration had been adequate, if not too severe, but they said unanimously that business and industry had not yet been entirely de-Nazified. All took exception to the 1937 deadline adopted by the American authorities as the time when the Nazi party was "opened" to the general public -- as the time before which membership in the party could be interpreted as evidence of aggressive Nazism. They thought that each case should be decided individually.

They concurred with the exclusion of Nazis from the coming elections but they did not believe that they should be permanently disfranchised.--USIS.

MACARTHUR ORDERS REVISION OF TEXTBOOKS ELIMINATING SHINTOISTIC TEACHINGS

Tokyo, Dec. 31 -- General Douglas MacArthur, implementing his recent order abolishing Shintoism, today demanded suspension of Japanese school courses in history, geography and morals and replacement with "purged" books.

The order, affecting all schools, simultaneously called for destruction of all textbooks and teachers' manuals in specified courses, which, according to Brigadier General Ken R. Dyke, were thoroughly packed with militarism and nationalistic propaganda. The banned books will be ground to pulp to be used again for printing textbooks purged of Shintoistic and similar teachings.

Gen. MacArthur's order instructed the education ministry to prepare substitute courses and outlines for temporary textbooks in time for the spring school term. The suspended morals course -- like the United States ethics classes -- was heavily loaded with teachings of the emperor's divinity, Japan's "divine mission" and similar ideas, officials said, and Japanese history and geography emphasized Japan's imperialistic aims and importance of leadership in east Asia.

Dyke, head of Gen. MacArthur's information and education section, said the new courses will cover current events, international history and allied subjects.

Gen. MacArthur's headquarters today denied ^a Japanese request to discontinue price and distribution controls over 11 essential items. The result would be inflation, the announcement said.

The first imperial rescript since the surrender announcement of August 15 was scheduled for issuance by Emperor Hirohito this afternoon. The subject of the emperor's message to the Japanese people was not revealed.

Gen. MacArthur's headquarters also announced the first complete list of key men responsible for the prosecution of Japanese war crimes suspects, whose trials opened last week in Yokohama. Lieutenant Colonel Leo G. Blackstone heads the prosecution division of 41 officers organized into coordinate teams to comb seven areas collecting evidence. ---USIS.

MACARTHUR SENDS NEW YEAR MESSAGE TO FILIPINOS

Tokyo, Dec. 31 -- General Douglas MacArthur sent the following New Year message to the Filipino people today expressing his confidence that they will meet successfully the challenge of the future:

With the dawn of the New Year -- a year of peace following the ravages of war -- I send you from Tokyo a message of my enduring affection. I can never forget the courage, determination and unity with which you fought your way to victory.

Confronted with the pressing problems of building anew amid the ruins left in war's wake and at the same time entering upon your destiny as a member of the nations of the world, you face a task the magnitude of which demands the dedication of all of your faith and all of your strength as a people.

Move forward to meet this challenge of the future as magnificently as you met that of the past. With the continued help of Almighty God in this noble purpose, I know you will not fail. ---USIS.

GENERALISSIMO AND MADAME CHIANG HOPE TO VISIT AMERICA TOGETHER

Chungking, Jan. 1 -- Madame Chiang Kai-shek said she and the Generalissimo hope to visit the United States together when opportunity offers, but added that pressure of official business makes it impossible to say when that will be, A.T. Steele reported in a dispatch to the New York Herald Tribune.

In an interview, Madame Chiang praised the new United States ambassador to China, General George C. Marshall, as an "able and forthright man." ---USIS.

OUTPUT OF PLASTICS EXPECTED TO INCREASE 300 PER CENT IN 18 MONTHS

New York, Jan. 1 -- W.S. Landes, president of the Plastic Materials Manufacturers Association, has announced that the output of plastics will be increased by over 300 per cent as a result of expenditure of over \$107,000,000 by 22 manufacturers in the next 18 months on new production facilities. The statement said this estimate was based on the results of a survey of the industry conducted by the Association. ---USIS.

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Berlin, Dec. 31 -- Fiftysix additional industrial plants in western Germany have been classified as available for reparations, the industry branch of the American military government disclosed Sunday.

The group includes the gigantic Krupp steel plant at Essen and a unit of the I.G. Farbenindustrie at Rheinfelden. Sunday's additions bring to a total of 82 the number of plants classified for reparations. Twentysix of these already have been allocated to various Allied powers.

The American military government report covering 19 of these 26 plants disclosed that their removal will mean virtual end of the one-time Nazi war machine's supply source in western Germany.

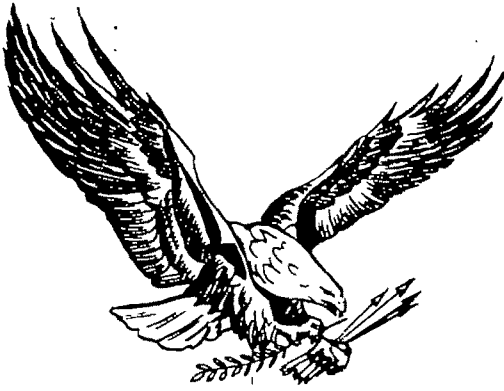
It is estimated that facilities for production of ferro-nickel are completely eliminated; ball bearing production and shipbuilding potentials each have been slashed 60 per cent and TNT capacity is now only 38 per cent.

The report noted that the United States has made no claims for equipment. Thirteen Allied nations with reparations claims against Germany are said to have made bids for plants or equipment. They are Great Britain, Russia, Poland, France, the Netherlands, Greece, Norway, Yugoslavia, Australia, India, Egypt, Belgium and Czechoslovakia.---USIS.

MOST OF ITALY RETURNED TO CIVILIAN RULE

Rome, Jan. 1 -- Press services reported that all of Italy except the province of Venezia Giulia and Udine near the disputed Yugoslav border, was returned to Italian civilian rule Monday by the Allies. The Allied military government has relinquished jurisdiction over northern Italy, Livorno, Naples, Pisa, the islands of Pantelleria, Lampedusa and Linosa and the rail center of Bolle Salvetti near Florence.

The Italian government has announced validation of all orders and proclamations issued by the Allies, which would continue in effect as Italian laws. The Italian government also declared valid all appointments to offices, sentences for crimes and removal of fascist officials since the beginning of the Allied occupation.---USIS.



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BYRNES REPORTS ON MOSCOW CONFERENCE

Washington, Dec. 31 -- Secretary of State Byrnes, in a radio address last night, reviewed the work of the Moscow conference of foreign ministers of the Union of Soviet Socialist Republics, the United Kingdom and the United States, which took place between December 16 and December 26. Byrnes said:

"The purpose of my talk tonight is to render a report on the recent meeting of the foreign secretaries of Great Britain, the United States and the Soviet Union at Moscow. With President Truman's approval and encouragement I had urged the calling of this meeting in fulfillment of the understanding reached at Yalta that the three foreign secretaries should meet every three or four months.

"I was well aware of the risk involved in suggesting this meeting without any definite assurance that the three governments would be able to reach agreement on the points under discussion. I knew the risk of another impasse such as occurred in London. I felt this risk had to be taken. It is just when there are genuine difficulties in reaching agreement that foreign secretaries should meet in an effort to understand each other's problems and troubles.

"In this modern world where events move with lightning speed there is no time to wait for agreement to be reached by the slow exchange of diplomatic communications. We must realize that discussion and personal contact in international affairs are useful and helpful even though they do not at once lead to agreement. They contribute to a meeting of the minds and the reconciliation of differences.

"In September the Council of Foreign Ministers at London had been unable to agree upon the procedure to be followed in drawing up the European peace treaties. The Soviet Union took the position that the treaties should be made only by the principal powers who had signed the respective armistices. The other delegations took the view that all states which took an active part in the war should be allowed to participate in the peace. While we could not agree at London, and many referred to the London conference as a complete failure, it was, I think, the discussions at London that helped us at Moscow to reach agreement on the peace machinery.

"The agreement at Moscow meets our insistence that all states which took an active part in the war should participate in the peace. It also frankly recognizes the responsible role of the larger powers in the making of the peace. Our agreement is that the terms of peace in the first instance should be drawn

up by the principal powers which were signers of the respective armistices. But it was decided that as soon as these terms were drawn up, they should be submitted to a peace conference called by the five states -- the United States, the Soviet Union, Great Britain, France and China--who constitute the Council of Foreign Ministers, and are the permanent members of the Security Council of the United Nations.

"All states which actively waged war with substantial military forces against the European members of the Axis will be invited to participate in the conference. The peace conference is to be called not later than May 1. The conference will consider the draft treaties prepared by the states that signed the respective armistices. The peace conference will then draw up its own recommendations. After that, the states which prepared the preliminary texts will consider the recommendations of the peace conference and prepare the final texts of the treaties to be signed by all states actively at war with the enemy states in question.

Allied Nations Have Voice In Peace Treaties

"Now I do not consider this solution ideal. But the departure from the ideal standard is more in form than in substance. What is preserved is that the proposals of the larger powers are subjected to the judgment and public criticism of all the nations which took an active part in the war. The procedure contemplates and requires that these nations formally and publicly make their recommendations. The larger powers are not bound by these recommendations but they must agree in order to draw up the final treaties. Certainly, the United States would not agree to a final treaty which arbitrarily rejected such recommendations. Certainly, the great powers which drew up the draft charter for the United Nations at Dumbarton Oaks did not ignore the changes suggested by the smaller powers at San Francisco.

"The test of a successful peace is not in the form of its making, but whether it both commends itself to the nations concerned by its justice and wisdom and also commands the support of those nations whose unity is essential to preserve the peace. The method agreed upon at Moscow gives ample scope for the achievement of these essential results.

"The question of recognition of the ex-satellite states was discussed. Since the London conference, we have found it possible to recognize Austria and Hungary, where free elections have occurred. There is still a wide divergence in our viewpoints on the governments of Rumania and Bulgaria. That divergence is accentuated by the fact that in those countries democratic institutions have not functioned in accordance with traditions familiar to us.

"The Soviet Union contends that the governments of those countries are satisfactory and conditions do not warrant concerted action under the Yalta agreement. And concerted action is possible only by common agreement.

"Our objections to the Rumanian and Bulgarian governments have been not only to the exclusion of important democratic groups from those governments, but to the oppressive way in which those governments exercise their powers. Until now our objections have been little heeded by those governments or by the Soviet government.

"It must be recognized that the Soviet government has a very real interest in the character of the government of these states. These countries

are neighbors of the Soviet Union. It is, therefore, to be expected that the withdrawal of Soviet troops from these countries may depend upon the Soviet government's confidence in the peaceful character of these governments.

"I urged upon Generalissimo Stalin and Foreign Minister Molotov that it was in their interest as well as ours that the peoples of these countries, as well as their governments, should be peacefully disposed towards the Soviet Union. I stressed the fact that it was our desire to work with the Soviet government in making these governments representative and for the first time since Yalta the Soviet government has agreed to cooperate with us to this end. A tripartite commission is to proceed immediately to Rumania to seek broadened representation in the Rumanian government.

"The British and American governments have agreed that they will recognize the Rumanian government as soon as they are satisfied that the government has been broadened to include two truly representative members of two important political parties not now represented in the government and assurances have been given regarding free elections, freedom of speech, of press, of religion, and association. These are the terms under which we will recognize this government. It is for us to say whether the terms have been complied with.

"The situation in Bulgaria is complicated by the fact that elections have already occurred there which the Soviet Union regards as free elections and we do not. Nevertheless, the Soviet government has agreed to advise the new Bulgarian government to include in the government two members representative of important political parties not now included. The British government and the American government have stated that as soon as they are satisfied that this has been done they will recognize the new Bulgarian government.

"The agreements regarding Rumania and Bulgaria do not go as far as I should have liked, but it is hoped that they will result in substantial improvement in the democratic character of these governments."

Discussion on Far East

Turning to the Far East, Byrnes said that "while the United States sustained the major burden in crushing the military power of Japan we have always considered the war against Japan a part of the war against the Axis. From the outset we have planned to make control of Japan an Allied responsibility." Outlining the United States policy in the Far East "to work for conditions that make for lasting peace," Byrnes declared that "cooperation with our allies is an essential part of that policy."

Therefore, he added, at Moscow "the three governments, with the concurrence of China, agreed on a Far Eastern Commission. It will consist of representatives of the Soviet Union, Great Britain, China, the United States, France, the Netherlands, Australia, New Zealand, Canada, India and the Philippines. This Far Eastern Commission will have the authority to formulate principles to govern the control of Japan. It will act by a majority vote which, however, must include the concurring votes of Great Britain, the Soviet Union, China and the United States. The decisions of the Commission will be incorporated into directives to the Supreme Commander by the United States government.

"Under the agreement establishing the Commission, no basic Allied policy for Japan may be adopted without our concurrence. Pending agreement in the Far Eastern Commission, in case of need we are free to give interim directives on all urgent matters.

"Only three questions are excepted from our authority to give interim directives. The questions reserved for action by the Commission -- which action requires our concurrence -- are questions dealing with changes in the control of Japan as set forth in the surrender terms or with fundamental changes in the Japanese constitutional structure or with changes in the Japanese government as a whole. These are questions which, by their nature, require agreement among the principal allies if there is to be a common Allied policy. To reserve them for decision by the Commission does not affect the administration of Allied control by the Supreme Commander.

"It has not been our policy to dictate changes in the Japanese government as a whole, and in so far as it is necessary to make individual changes in the cabinet or to fill vacancies created by the resignation of individual members the authority of the Supreme Commander to act remains unimpaired.

Allied Council for Japan

"The three governments also agreed, with the concurrence of China, on the establishment of an Allied council for Japan, to be composed of representatives of the Soviet Union, the British Commonwealth, China and the United States under the chairmanship of General MacArthur as the Supreme Allied Commander. The Council is to advise and **consult** with the Supreme Commander in carrying out the terms of surrender. His decision will be controlling on all but the three questions I have just mentioned. If disagreement arises in the Council regarding implementation of a policy decision of the Far Eastern Commission upon any of these three **points**, the Supreme Commander will **withhold** action pending a clarification of its decision by the Far Eastern Commission.

"The proposals we offered regarding Japan make it clear that we intend to cooperate with our allies and we expect them to cooperate with us. But at the same time our agreement safeguards the efficient administration which has been set up in Japan under the Supreme Allied Commander. It assures that the authority of General MacArthur will not be obstructed by the inability of the Far Eastern Commission to agree on policies or by the inability of the Allied Council to agree upon the methods of carrying them out. We were determined to assure that the outstanding and efficient administration set up and executed by General MacArthur should not be obstructed.

Korean Independence Within Five Years

"The administration of Korea has been a trying problem since the surrender of Japan. For purposes of military operations the occupation of Korea was divided north and south of latitude 38 into Soviet and American areas. The continuation of this division after surrender has been unsatisfactory. The movement of persons and goods and the functioning of public services on a nationwide scale has been hampered.

"Under our agreement at Moscow, the two military commands are to form a joint Soviet-American commission to solve immediate economic and administrative problems. They will make recommendations to the governments of the United States, the Soviet Union, Great Britain and China for the formation of a Korean provisional democratic government. They will also make proposals to these governments regarding a four-power trusteeship to prepare Korea for its independence within five years.

"The joint Soviet-American commission, working with the Korean provisional democratic government, may find it possible to dispense with a trusteeship. It is our goal to hasten the day when Korea will become an independent member of the society of nations."

Policy Toward China

Referring to China, Byrnes said China's interests were considered in the various agreements and understandings reached at Moscow and were provided for in the following way: China is to participate in the Council of Foreign Ministers the Far Eastern Commission, in the four-power Allied Council in Tokyo, in the formation of a Korean provisional national government and in any trusteeship for Korea. "But China divided by civil strife," Byrnes stressed, "will not be able to take its rightful place among its allies and discharge properly its international responsibilities."

"Our policy towards China, as recently announced by President Truman, was discussed at Moscow. We found our allies in substantial accord with that policy. The three governments agreed that the cessation of civil strife and broad participation throughout the national government of democratic elements are necessary to assure a unified, peaceful and democratic China under the national government. The three governments reaffirmed adherence to the policy of non-interference in the internal affairs of China."

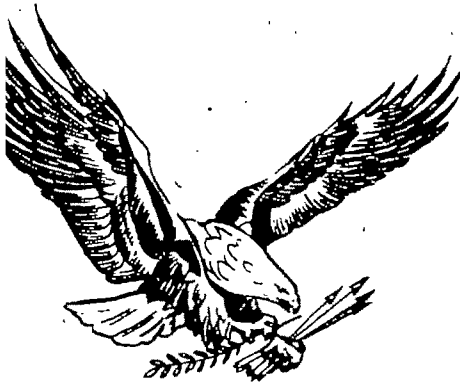
Byrnes said Russia plans to remove its forces from Manchuria by February 1 and the United States will move Marines from North China when Japanese troops are disarmed and deported from China or when China is able to complete the task unassisted.

Byrnes said discussion of atomic energy control was placed at the head of the agenda at the request of the Soviet government. "At no time did we discuss any technical or scientific matters, nor were we asked by the Soviet government about the new weapon," he added. "I was happy to find," Byrnes added, "that the Soviet government feels as we do that this particular weapon is of such a revolutionary nature that we should explore through a United Nations Commission methods of international control."

The foreign ministers reached understanding on all important items placed on the agenda with the exception of Iran, Byrnes said. "At one time it looked as if we might agree on a tripartite commission to consider Iranian problems, which have been accentuated by the presence of Allied troops in Iran," Byrnes added.

"I do not wish to minimize the seriousness of this problem, but I am not discouraged. I hope an exchange of views may lead to further consideration of the grave issues involved and out of such consideration a solution may be found."

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-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of *Abrams v United States*.

January 4, 1946

U.S. INDUSTRY FACES CRITICAL SIX MONTHS

Washington, Jan. 3 -- The United States faces a critical six-month period in industry, Civilian Production Administrator John D. Small declared in a New Year statement. Small said:

Splendid progress has been made since V-J Day, but present production is not forging ahead as rapidly as it can and should be doing. There are a variety of reasons. Among them are shortages of component parts, work stoppages, uncertainties as to wage and cost factors, and reluctance to make long-term commitments caused by fear of inflation.

The next six months are critical to the industrial future of our country. If we can speed up production at once and pour onto dealers' shelves finished goods, we can thereby make sure that the crisis that occurred after World War One, with its skyrocketing prices followed quickly by panic and depression, will not be repeated on a yet more disastrous scale.

Given a good measure of industrial peace and the assurance that we will not have runaway inflation, we can look forward to years of the highest prosperity this country has ever experienced.

When a problem is known it can be solved. I am confident this one can and will be solved and solved quickly.--USIS.

OFFICERS NAMED FOR INFORMATION AND CULTURAL OFFICE

Washington, Jan. 2 -- Ten acting officers of the Office of International Information and Cultural Affairs -- the proposed new U.S. foreign information and cultural service -- have been announced by Assistant Secretary of State William Benton. They are:

Director, William T. Stone; deputy director, Charles M. Hulten; chief of press and publications division, J. Noel Macy; chief of motion pictures division, John M. Begg; chief of international broadcasting division, John W.G. Ogilvie; exchange of persons, Herschel Brickell; libraries and institutions, Richard Heindel; regional chiefs: Eric Bellquist, Europe; George E. Taylor, Far East; and William L. Schurz, Latin America.--USIS.

TRUMAN'S ANNUAL MESSAGE TO CONGRESS MAY BE TELEVISIED

New York, Jan. 3 -- President Truman may be seen as well as heard in New York, Washington and other cities over a television network when he delivers his annual message to a joint session of Congress on January 15, press dispatches reported.

(Presidential press secretary Charles Ross told the press that it was possible Truman would not appear before Congress in person and that nothing definite on the plan to televise the address has been decided.)

If the arrangements are concluded, it will be the first time that a President has been televised as he addressed Congress and the first television pickup from the interior of the Capitol. The occasion is also expected to be used to formally open inter-city television on a regular basis between New York and Washington through the recently constructed underground co-axial cables.

Washington, Jan. 3 -- The Federal Communications Commission yesterday requested American international telegraph carriers to report by January 18 on their plans for instituting sharply reduced rates between the United States and the British Commonwealth points agreed to at the recent Bermuda Telecommunications Conference.

The Commission's action was described by its chairman, Paul A. Porter, as a significant milestone in its campaign for expansion of American communications. He added:

"The Commission has been particularly concerned that high rates and indirect routing of communications should not be bottlenecks in this period of expanding international cooperation and world trade."

Porter stressed the need for cheap and rapid communication and said the reduced press rates "will mean that newspaper readers in America and in large sections of the globe will have the benefit of exchange of news on a greater scale than ever before.

"More publications may now find it possible to maintain special correspondents abroad. Press associations can more easily expand their services. This is especially significant at a time when international affairs loom so large in the news."

The Commission also announced steps to authorize the establishment on a permanent basis of certain direct radio circuits to British Commonwealth points as provided for in the Bermuda agreement. Although the British policy had been to permit communication with empire points only over British circuits (an exception is London), as a war measure they permitted the establishment of direct radio-telegraph circuits between the United States and certain British Commonwealth points for the duration of the war and six months. Under the Bermuda agreement one circuit each to Australia, New Zealand and India is to be retained on a permanent basis. Applicants may also file applications for operating radio-telegraph communications from the United States to Ceylon, Hong Kong, Jamaica, Palestine, Singapore, South Africa, Greece and Saudi Arabia.---USIS.

CONCESSIONS WERE KEY NOTE OF MOSCOW TALKS

New York, Jan. 3 -- The New York Herald Tribune, commenting on Secretary of State Byrnes' statement Sunday on the Moscow conference, said that Secretary Byrnes "supplied a sensible and straightforward elucidation of the Moscow agreement, which ought to still some at least of the demands for 'clarification'. It added in part:

The essence of the Secretary's statement is that there were no further commitments or understandings beyond those recorded in the communique and that anyone capable of reading the English language can provide for himself all the explanations there are to give.

There were concessions on all sides. The issue of satellite treaties was resolved in a plain compromise between the exclusive authority of the great powers and the influence of Allied powers. The United States and Britain obviously receded somewhat from their position in regard to recognition of Rumania and Bulgaria; Soviet Russia receded somewhat from its position in regard to control of Japan; unanimity was recorded in the case of China; no agreement at all could be achieved on certain other critical issues, like that of Iran. Although Mr. Byrnes gave way to Russia on atomic bomb "secrets," Russia accepted almost completely the Truman-Attlee-King statement on control of the bomb.---US: HOUSES FOR U.S. VETERANS WILL GET SPECIAL PRIORITIES

Washington, Jan. 3 -- Establishing special priorities to assist builders who will give preference to veterans in selling or renting new low-cost housing, the Civilian Production Administration stated that approximately 50 per cent of the 10 most critical materials will have to be set aside to honor the priorities.

Each house must sell for not more than 10,000 dollars, including land and improvements, or must rent for not more than 80 dollars a month.

John D. Small, Administrator of CPA, in announcing the plan estimated that "at least" 400,000 homes will be built under the program in 1946.---USIS.

TVA PLAYED IMPORTANT ROLE IN U.S. WAR EFFORT

Washington, Jan. 3 -- The Tennessee Valley Authority in its twelfth annual report submitted to the President and Congress on Monday said that "TVA mustered its entire energies and facilities to help win the war," and at the same time worked toward its "peacetime aims of river control and agricultural, forest and industrial development."

TVA is a government-owned corporation established in May 1933 for the development of the Tennessee river in southeastern United States. Its activities have brought to what was formerly a poorly developed area the benefits of electrification, flood control and conservation.

The report said that in the fiscal year 1945 TVA produced a total of nearly 12,000 million kilowatt-hours of electric power--more than was generated by any other integrated system in the United States. Three-fourths of the power went to war purposes, as in other war years. TVA's ability to supply abundant electric power, the report said, was a major factor in locating one of the largest atomic energy plants at Oak Ridge, Tennessee.

The report said that TVA power was distributed by 130 municipal and co-operative systems to approximately 600,000 consumers. It added: "The average consumer at TVA rates used 48 per cent more power for 21 per cent less money, compared with the average consumer in the nation."

The report revealed that the record-breaking construction schedule of the past few years, in which TVA increased its installed generating capacity by 127 per cent since 1940, "brought to virtual completion the major flood control and navigation facilities which are part of the multiple-purpose system of water control." Two major dams, Kentucky and Fontana, were placed in operation during the fiscal year. This brought to 26 the number of dams in the integrated system which controls the flow of the Tennessee river. Of these, 16 were built by TVA, five were acquired, and five are privately owned but operated as part of the system.

The total system storage reached more than 13 million acre-feet, of which 11 million acre-feet is provided for flood control at the beginning of the flood season.

Other achievements were: TVA facilities produced almost 285,000 tons of plant foods and chemicals. More than five million board feet of critically needed timber was cut from TVA lands. The number of park areas on the shores of TVA lakes reached 27. TVA plants for prefabricated houses enabled the War Department to obtain 5,000 homes in record time to house workers of atomic energy plants.---USIS.

U.S. WILL BUILD FAST SHIPS FOR PAN-AMERICAN SERVICE

Washington, Jan. 3 -- The U.S. Maritime Commission has called for bids for the construction of two 28-knot, 670-foot, twin-screw, turbine passenger vessels for pan-American trade and for four 560-foot, single-screw, turbine cargo vessels. Construction will be the first step toward realization of the plan envisioned for a modern merchant marine by the late President Franklin D. Roosevelt and listed by President Truman.

The 670-foot South American liners, the fastest merchant vessels ever built in the United States, will carry 543 passengers, have 8,550-ton deadweight and 55,000 horsepower. The cargo vessels will have a deadweight tonnage of 24,000 and horsepower of 11,000.---USIS.

HITLER DECREED "ANNIHILATION TO THE LAST MAN" OF CAPTURED COMMANDOS

Nuremberg, Jan. 2 -- A secret order, in which Hitler personally decreed "annihilation to the last man" of all Allied commandos and paratroops captured after October 15, 1942, was revealed to the international military tribunal today by American prosecutors as the trial of 21 Nazi leaders was resumed after a 12-day holiday recess.

The Allied prosecuting staffs predicted the trial would end by March 15 "if all reasonable shortcuts are taken,"---USIS.

AMERICAN VOLUNTARY RELIEF SUPPLEMENTS UNRRA ACTIVITIES

Washington, Jan. 3 -- Taking note of the many voluntary outpourings from the American public of supplies and cash for the needy people of liberated countries, accelerated sharply during the past holiday season, UNRRA Monday night issued a summary of the voluntary relief activities and channels.

Herbert H. Lehman, director general of UNRRA, stated: "Voluntary gifts by Americans may seem small in comparison with the essential appropriations made by (United States) Congress, but they are a tremendous help to the whole relief program in the worst winter since the Middle Ages. The great United National Clothing Collection of last spring gave UNRRA vast quantities of garments which money could not have bought, so tight was the world textile situation. These garments, sufficient to clothe 25 million war victims, are saving thousands of lives today.

"The current canned food collection before the winter is over will supplement the near-starvation diets in countries which have suffered the worst crop failures in 75 years, as well as unparalleled destruction from the air."

Lehman pointed out that UNRRA receives from organizations and some individuals in the United States a variety of gifts, ranging from livestock to small sums of money.

The Christmas season prompted a gift of 15 carloads of chocolate milk drink for free distribution to children of Greece from the Greek War Relief Association and another gift of 8,000 pounds of hard candy from a group of New York shops through the American Committee for Yugoslavian Relief. The American Relief for Czechoslovakia, Incorporated, turned over to UNRRA on December 18 five X-Ray units, all packed and ready to go, to help the medical profession of Czechoslovakia in its tremendous postwar task. The CIO (Congress of Industrial Organizations) War Relief Committee and the AFL (American Federation of Labor) Labor League for Human Rights joined in sending 75,000 dollars worth of supplies for labor camps in Czechoslovakia.

The American Library Association contributed 1,500 scientific and technical books to replenish ravaged libraries, half going to Poland, half to Czechoslovakia, giving vitally needed information on the control of chronic diseases and epidemics and for rehabilitating farms and factories.

The Church of the Brethren, which earlier sent breeding bulls to Greece to replenish dairy stocks, has recently sent 150 Holstein heifers to supply milk for hospitals and nursing homes in Poland. A further practical touch was furnishing of some of their own members, trained in care of this stock, to make the voyage overseas on the cattle boat with the shipment. This cut down the loss of animals in transit.

The World Jewish Congress contributed 20,000 pounds of clothing for the Belsen hospital and 10,000 pounds of clothing for the Terezin camp in Czechoslovakia.

Since October, UNRRA has been conducting a victory collection of canned food, which will continue as long as there is need for food in war-devastated areas. Through the work of some 900 groups and organizations operating collection centers in every state in the United States, tons of canned foods are now clearing for overseas shipment through 22 regional warehouses arranged for by UNRRA. A report from the national headquarters of the Victory Canned Food Collection states that 12 tons of canned food are now being received daily at the New York warehouses alone.

The President's War Relief Control Board, with which all voluntary foreign relief agencies must register, reported to UNRRA that during the first six months of 1945 alone, Americans contributed over 40 million dollars in cash and almost 128 million dollars worth of gifts in kind, such as medicines, food and clothing, for relief in Asia and Europe, not including the contributions to the American Red Cross.---USIS.

Spokane, Washington, Jan. 3 -- Eric A. Johnston, member of President Truman's Labor-Management Advisory Committee and president of the United States Chamber of Commerce (a private organization), announced Tuesday he was instituting a profit-sharing plan for employees of manufacturing companies he operates in the northwestern state of Washington.

Johnston, who is also president of the Motion Picture Producers' Association, said the plan was his solution to the problem of "industrial democracy," which he declared was needed as much as political democracy. He added: "We must have democracy for industry to make the workers feel that they are part of the management and that they have a voice in what is going on."

The profit-sharing system went into effect with the New Year for all employees of the Brown-Johnston Company, retailers of electrical equipment, and the wholesale and manufacturing divisions of the Columbia Electric and Manufacturing Company, both in Spokane.

Johnston's Washington Brick and Linc Company of Spokane, with a branch in Seattle, also will participate in the profit-sharing plan, but arrangements for this company will not be worked out for another week, Johnston said.

Under the plan the employees will share approximately 25 per cent of the profits before taxes. Each employee will receive one unit of credit toward profits for each 100 dollars of his annual earnings, one unit for each year of continuous service, five units for each term served on the newly created "junior" board of directors composed of employees, five units for a supervisory position, 15 units for assistant department head, and 25 units for department head.

The value of a unit will be determined each year by dividing the amount of money to be shared by the total number of units credited to all employees that year, and individual employees will receive the amount of money to which his units entitle him.

"If we cannot solve the problem of labor-management relations," Johnston

said, "we . . .

said, "we cannot secure the high level of production so essential in our postwar years. One of the best methods of improving industrial relations is to make the employee feel that he is a part of the organization and that he is helping to promote policies. Most important, he wants to share in the profits he helped to earn."---USIS.

GERMANS SEE DEMOCRATIC FUTURE

Frankfurt, Jan. 3 -- Seventy per cent of Germans polled by the Information Control Division of the American military government in Germany believe the time will come when Germany will voluntarily accept democratic self-government, New York Times correspondent Kathleen McLaughlin reported in a dispatch.

She said the survey indicated political apathy is considerably less than surface conditions indicate. It showed 60 per cent of those queried felt Germany should profit from her past experience and limit the number of political parties to three or four. Fourteen per cent wanted only one party to be authorized after the occupation forces leave Germany, while two per cent favored abolition of all parties.

It was also found that only 59 per cent of women polled had any interest in political meetings, compared to 80 per cent of men.

Fifty per cent of those questioned approved the de-Nazification program being carried out by AMG. However, it was found that 31 per cent disapproved the program and 17 per cent had never heard of appeal boards set up to handle individual cases deviating from the routine regulation for dismissal of all who joined the Nazi party before 1937.

On the basis of the poll, ICD concluded that wider publicity is desirable.
---USIS.



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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, - that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of *Abrams v United States*.

January 7, 1946

BENTON DEFINES CHANNELS OF INFORMATION SERVICE ABROAD

Washington, Jan. 4 -- William Benton, assistant secretary of state, in charge of public affairs, outlined the U.S. government's postwar overseas information and cultural program in two addresses last night. The first speech was delivered at a dinner of the American Platform Guild, private organization of American lecturers currently convening here. The second was delivered over a nationwide radio hookup as part of the forum wherein Herbert Agar, C. D. Jackson and Henry Seidel Canby, noted figures in the American publishing field, also participated.

Benton told the Platform Guild that a permanent peacetime information program will operate, at least in its early stages, along the following nine channels:

ONE -- International exchange of students, professors, scientific specialists and distinguished persons;

TWO -- Maintenance of U.S. information libraries in 60 foreign countries;

THREE-- Servicing of U.S. diplomatic missions with a daily wireless bulletin carrying full texts or excerpted texts of important official announcements;

FOUR -- Servicing of missions with background information about American life along with a limited number of government photographs;

FIVE -- Production of photo exhibits and displays about American life for non-commercial showing in foreign countries;

SIX -- Distribution in the Soviet Union of a bi-monthly illustrated magazine;

SEVEN -- Non-commercial presentation to foreign audiences of newsreels and documentary motion pictures about the United States;

EIGHT -- Operation, at least in 1947, of virtually a worldwide shortwave broadcasting network and

NINE -- Personal efforts of small staffs in missions in 62 nations abroad.

In the radio broadcast, Benton said in part: "It is not our intention to engage in rivalry in this field with other nations. But it is very definitely our intention to make available to the peoples of the world facts about America which they are eager to have."--USIS.

ENTIRE 1946 U.S. COTTON CROP PUT UNDER PRICE CONTROL

Washington, Jan. 6 -- The entire 1946 United States cotton crop will be put under price control to avoid the need for raising prices on textiles and clothing, the Office of Price Administration announced yesterday. It will be the first time OPA has put price controls on the cotton crop. Price administrator Chester Bowles said he believes cotton prices will be steadied at a level which will permit textile ceilings to be held without change. "Textiles and clothing are basic items on the cost of living," Bowles said, "and the OPA intends to do everything in its power to avoid any increase in price on these commodities."--USIS.

LEAGUE OF NATIONS' FAILURE SHOULD BE A LESSON TO UNO

New York, Jan. 6 -- The New York Times today discussed the UNO and the League of Nations in an editorial titled: "Ring in the New" The editorial said in part:

As America's delegates to the first UNO assembly sailed from New York, the League of Nations was preparing to wind up its affairs. Some time this month the League Assembly, still representing 32 nations which are also members of the UNO, will consider acting Secretary General Sean Lester's final report. At this meeting arrangements will be made for the UNO to take over most of the League's research and technical operations including also its library and archives.

The new International Court of Justice is really a continuation of the League's Court of International Justice. One may say that the League will not die but spring reborn from the ashes. It did not succeed, but it did serve important purposes. As Lester says, its framework "was maintained and work was kept going in the heart of a continent virtually controlled by antagonistic forces."

One's mind goes back to the first meeting to the League Assembly on November 15, 1920. If the United States had then entered the League, if member nations had been willing to take small risks in order to avoid great dangers, if firm steps had been taken against aggressors as far back as 1931 -- but the history of the League of Nations' assembly and council is "iffy" indeed. We have now to hope that the catastrophic lessons of 25 years ago have not been wasted and that the new assembly and the new council will manage to reconcile democratic procedure with swift and decisive action. It would be tragic if some commentator in 1971 had to explain why the UNO failed.---USIS.

PALESTINE ENQUIRY COMMITTEE WILL LEAVE U.S. ON JANUARY 18

Washington, Jan. 6 -- The Anglo-American committee of inquiry on Palestine yesterday announced hearings would begin here Monday. The committee was recently established to investigate the political, social, and economic conditions in Palestine as they bear upon immigration there and on conditions of the people living in Palestine.

First to appear Monday will be Earl Harrison, who recently reported to President Truman on the conditions of Jews in Germany. Robert Nathan, who returned from the Near East last spring where he made an economic study for the American Palestine Institute, will also testify Monday.

The committee said it may have to limit the number of persons who may be heard orally as the committee will be leaving the United States on Queen Elizabeth on January 18. The hearings will be public. The American chairman will preside in Washington, and the British chairman in London.---USIS.

U.S. ASSIGNS 387,000 TONS OF WHEAT FOR EXPORT IN FEBRUARY

Washington, Jan. 6 -- The United States Department of Agriculture yesterday authorized commercial export of 387,000 long tons of wheat and wheat flour in February to seven European countries and French North Africa.

January authorizations totalled 288,300 long tons.

The February authorization specifies 300,000 long tons for France including French North Africa and the French zone in Germany; 30,000 long tons for Belgium; 21,000 long tons for the Netherlands; 8,000 long tons for Norway; 8,000 long tons for Spain; 12,000 long tons for Portugal; and 8,000 long tons for Switzerland.

---USIS.

RICHARD N. JOHNSON APPOINTED ASSISTANT TO PRESIDENT OF EXPORT-IMPORT BANK

Washington, Jan. 6 -- Wayne C. Taylor, president of the Export-Import Bank, yesterday announced the appointment as his assistant of Richard N. Johnson, former publisher of Boston Evening Transcript and during the war, division director in the Office of Civilian Requirements of the War Production Board.---USIS.

WAR MANPOWER COMMISSION TRAINS TWO MILLION SUPERVISORS

Washington, Jan. 6 -- The details of how almost two million war plant supervisors were trained for increased production were released yesterday in the final report of the Training Within Industry Service of the War Manpower Commission.

The Training Within Industry Service, organized in 1940, trained 23,000 plant men to serve as instructors. These instructors in turn trained about two million war plant supervisors. The service operated in 16,000 war production plants and essential services. The staff of the service at no time exceeded 400.

The report said its program, aided by the unanimous cooperation of union labor representatives, promoted widespread expansion of facilities and improved techniques of supervision. The report added that most of its techniques have been accepted by manufacturers and have now become a basic part of American industrial relations.---USIS.

KUOMINTANG-COMMUNIST AGREEMENT PRELUDE TO PEACE IN CHINA

Washington, Jan. 6 -- Although the agreement announced yesterday between the Central Government and the Communist forces in China is only an agreement on procedures for attainment of halting of hostilities, it is a necessary prelude to civil peace in China, today's Baltimore Sun said in an editorial titled "Modest Progress in Chinese Negotiations." The editorial said in part:

News from China is good, but only in the sense that it brightens the picture. It settles nothing definitely. The agreement announced yesterday is not even an agreement to cease hostilities and restore communications; it is merely an agreement on "procedures" for attainment of these ends. There is no accompanying indication as to the actual date when shooting will stop. Hence the importance of the agreement should not be exaggerated. Yet, on the other hand, its importance should not be belittled. An agreement on procedure is, after all, an indispensable prelude to action. The procedure in this case, which involves meeting of representatives of both the Chinese elements with General Marshall, can be counted on pretty definitely to bring about a truce.---USIS.

AMERICAN EXPORTERS FREE TO RESUME FOREIGN TRADE

Washington, Jan. 5 -- Arthur Paul, assistant to the secretary in charge of foreign trade of the Office of International Trade, announced today that the U.S. Department of Commerce has now made it possible for American exporters to resume private trade to all areas of the world except Japan and Germany.

Paul added that although there will necessarily be limited quantities of a few materials still in short supply, it is now nonetheless possible for exporters, insofar as the United States government is concerned, to undertake to expand their exports.

Paul said, however, some of the factors which will "at least for the time being" continue to limit the flow of exports include shortage of dollars in foreign countries, necessity of obtaining whatever clearance is required by appropriate military authorities in liberated countries, lack of adequate transportation facilities, and import restrictions which may be imposed by governments of respective countries or by military authorities.---USIS.

RUSSIA ASKS FOR MORE TIME TO JOIN BRETTON WOODS AGREEMENTS

Washington, Jan. 5 -- A State Department spokesman said today that Russia has asked for more time to study the Bretton Woods Agreements and has so informed the United States Ambassador, W. Averell Harriman.

Russia is the only major nation which has not yet signed the agreements to establish the International Monetary Stabilization Fund and the International Bank for Reconstruction.

Thirtyfive countries including India have signed the agreements. State Department officials said approximately 83 per cent of the capital of both the Bank and the Fund were subscribed by January 1.

In order to join the Fund or Bank now it would be necessary for Russia to obtain approval of the Board of Directors.---USIS.

SNYDER SETS UP COMMITTEE TO EXPEDITE EXPORT TO LIBERATED AREAS

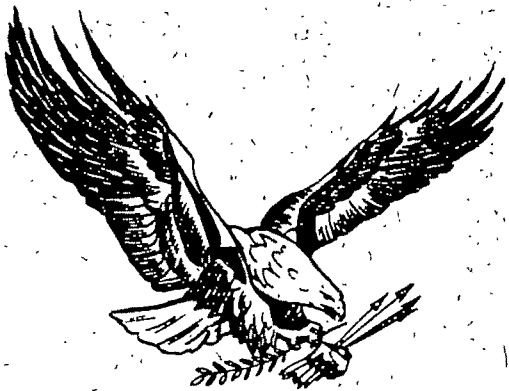
Washington, Jan. 6 -- To expedite shipment of wheat and coal to liberated areas, reconversion director John W. Snyder Friday set up a Government Inter-Agency Committee on Export Transportation under the chairmanship of Captain Granville Conway, deputy administrator of the War Shipping Administration. The committee includes representatives of the Departments of State, Navy, War and Agriculture, the Solid Fuels Administration, the Office of Defense Transportation and the Office of War Mobilization and Reconversion.

It plans to make possible shipment of six million tons of wheat from the United States to liberated areas during the first half of 1946. In addition the committee will expedite shipment to liberated areas of the deficit of two million tons of coal which the United States was unable to ship during 1945 because of transportation and production difficulties.

Secretary of State Byrnes in suggesting the formation of the committee emphasized the extreme need of liberated areas for food, made more urgent by droughts in central and southern Europe and Mediterranean areas and increased demands from UNRRA.

Meetings of OWMR (Office of War Mobilization and Reconversion) staff members with representatives of agencies concerned revealed that to supply the minimum needs of the liberated areas of Europe it will be necessary to increase monthly shipments of wheat from the United States from the 1945 rate of 750,000 tons to one million tons. The total stated minimum requirements of liberated areas and other countries for the first half of 1946 are 17 million tons. The highest goal that seems possible from four major supplying countries -- the United States, Canada, Australia and Argentina -- is only 12 million tons. The United States is expected to supply half of this amount.

Secondary only to the urgency of fulfilling the wheat program will be that of making up deficits in coal shipments. ---USIS.



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PRESIDENT TRUMAN OUTLINES TASKS AHEAD IN HIS STATE OF THE UNION ADDRESS

Washington, Jan. 4 -- Following is the text of President Truman's State of the Union address broadcast from the White House yesterday:

Fellow Americans:

As you all know it is the constitutional duty of the President to report to the Congress annually on the State of the Union. That regular report will be made to the Congress soon after it reconvenes. Tonight I am speaking directly to you, the American people, on issues which will be the subject of debate when the Congress reconvenes. Nineteen hundred and fortysix is our year of decision. This year we lay the foundation of our economic structure which will have to serve for generations. This year we must decide whether or not we shall devote our strength to reaching the goal of full production and full employment. This year we shall have to make the decisions which will determine whether or not we gain that great future at home and abroad which we fought so valiantly to achieve.

I wish I could say to you that everything is in perfect order -- that we are on the way to eternal prosperity. I cannot. The months ahead will be difficult. We are doing well along the road toward our goal, but at every turn we run the risk of coming upon a barrier which can stop us.

In the message to the Congress on September 6, 1945, and in other messages I have outlined legislative proposals to meet the problems which lie ahead. Many of these proposals are pending before the Congress. A few have been adopted. Progress on most of them has been distressingly slow. Now, at the beginning of this new year, is a good time to take stock.

First I can say with emphasis that the legislative branch of our government has done its full share toward carrying out its responsibility in foreign affairs. The Congress has approved the Charter of the United Nations Organization. It has provided for full participation by the United States. It has continued the program of reciprocal trade agreements. It has approved participation in the United Nations Food Organization. It has passed legislation carrying out the Bretton Woods Agreements. It has provided support to the United Nations Relief and Rehabilitation Administration. The Congress is indeed to be congratulated by the people on all that it has contributed toward cooperation among the nations of the world in their search for peace and security. I shall have more to say about the foreign policy of the United States in the annual message to the Congress.

When we turn to our domestic problems we do not find a similar record of achievement and progress in the Congress. And yet our domestic postwar problems are just as serious and in many ways just as difficult as our international problems. Unless we can soon meet the need of obtaining full production and employment at home we shall face serious consequences. They will be serious not only in what they mean to the American people as such, but also in what they can do to our position as a leader among the nations of the world.

With the surrender of Japan last August we set certain domestic goals to be attained. The tasks before us were clear then. They are clear now. We had to reconvert our economy from war to peace as rapidly as possible. We had to keep employment, wages and purchasing power on a high level during the change-over. We had to keep the prices of commodities from going up too high. We had to get civilian goods produced and put upon the market promptly.

In other words our primary aim was to bring about an expanded production and steady, well-paid jobs and purchasing power for all who wanted to work, high farm income and good profits based on big volume. Reaching that goal means better homes, better food, better health, better education and security for every citizen of the United States. It means bigger and steadier markets for business. It means world confidence in our leadership.

We have gone a long way in getting our workers and factories back on peacetime jobs. War plants have been cleared in large numbers and their war contracts settled. Men, machines and raw materials are already back in peacetime production in greater numbers and are producing more goods than any one of us dared to expect a few months ago. But we are a long way from our goal.

The return of the United States to a peacetime economy in 1946 requires the same cooperation that we had during the war years. Industry, labor, agriculture, the Congress, the President -- each of these is called upon to do certain things. None of them can do the job alone. Together they can. There is one vast difference, however, between 1941 and 1946. While we were producing to meet the needs of war, we had the great stimulus of the war itself. That stimulus is now gone. The cooperation and teamwork in some quarters, I am sorry to say, have suffered proportionately.

The reconversion period through which we are now passing has as many elements of danger to our economy as the war period. Whether we fall into a period of great deflation because of unemployment and reduced wages and purchasing power or whether we embark upon a period of great inflation with reduced production and spiralling prices, the result will be equally disastrous.

Immediately after the surrender of Japan, in the full flush of our victory, representatives of the Congress, of industry, of labor and of farm organizations called upon me. From them I received promises of cooperation and teamwork during this reconversion period. I regret to say that those promises have not all been kept. As a result many obstacles have been thrown in our path as we have tried to avert the dangers of inflation and deflation.

The first among these obstacles have been labor-management disputes. Immediately after V-J Day the government announced a policy of taking off the wartime controls which it had exercised over wages and over industrial relations as a whole. It was thought particularly by labor and management

that through collective bargaining labor and management would be able to agree upon ways to avoid stoppages of work and to continue the production that is so necessary to our economic life. Unfortunately industrial disputes soon began and many strikes were called. Many of these disputes and strikes were settled or conciliated. But there were some strikes of nation-wide importance in which collective bargaining and conciliation both failed.

In order to enable management and labor to make a common effort to find means for preventing work-stoppages and to consider many other aspects of industrial relations the government invited their representatives to meet in a conference of their own in Washington. Although it did reach agreement on some matters and although it did pave the way for future meetings and discussions, the Labor-Management Conference could not agree upon a solution of the most immediate and pressing problem -- what to do about strikes when bargaining, conciliation and arbitration had all broken down.

As industrial strife has increased, with automobile workers out on strike and with the steel workers, electrical workers and packing house workers scheduling strikes very soon, I have been deeply concerned about the future. I am sure that all of us including these workers themselves share that concern.

When the Labor-Management Conference ended it became my responsibility as the President of the United States to recommend a course of action. This I did in a message to the Congress on December 3, 1945. I recommended certain fact-finding procedures which I believe can go a long way toward meeting these problems. I had hoped that the Congress either would follow my recommendations or would at least promise a solution of its own. It has done neither.

The purposes of my recommendations have been misrepresented by some of the spokesmen of both labor and management. The recommendations, however, are very clear. I proposed that in the few nation wide industries, where a stoppage of work would vitally affect the national public interest, after all other efforts had failed the government should step in to obtain all the facts and report its findings to the country.

Experience has repeatedly shown that once the public knows the facts it can make its opinion felt in a practical way. In order to give a fact-finding board a reasonable chance to function before a strike is actually called, I suggested that there be a 30-day 'cooling-off period'. I further recommended that the power of subpoena be given to the fact-finding board so that it could get all the pertinent facts.

In the setting up of fact-finding boards there is nothing harmful to labor. There is no reason why a strike cannot be postponed for 30 days; nor is there any intention of taking away labor's right to strike. That right remains inviolate. There is no effort to shackle labor. There is only an effort to find the truth and to report it.

On the other hand there is nothing harmful to management in this proposal. No detailed information obtained from the books of any company is to be revealed. It is nothing new to have the government get accurate information from a corporation. It is done now by many federal agencies -- by the Bureau of Internal Revenue, by the Securities and Exchange Commission, by the Wage and Hour Division of the Department of Labor, by the Inter-State Commerce Commission and by many others.

Without legislation, the fact-finding boards cannot function as efficiently as they can under a statute. For example shortly after I made my recommendation to the congress I appointed a fact-finding board in the dispute between General Motors Corporation and the United Automobile Workers. I thought the matter too urgent to wait upon the passage of legislation. You have seen how the General Motors Corporation has refused to cooperate with this fact-finding board. There is no way that it can be compelled to cooperate unless a statute is passed giving the board the power of subpoena. That is what is now up to the Congress.

Every day that production is delayed and civilian goods are kept from our markets by strikes or lockouts brings injury to our reconversion program. Already millions of dollars in wages have been lost to workers. Laboring men and women are using up their savings.

It is for these reasons that I urged the Congress to pass this legislation without delay. This legislation is still in the Committee on Labor in the House of Representatives and in the Committee on Education and Labor in the Senate.

I am sure from all the sources of information which I am able to use, that the American people agree with the necessity for some fact-finding legislation along the lines recommended. The time has come for every citizen of the United States to make his opinion known to his representative in the Congress. Once that is done, you may be sure that results will follow.

I was a member of the Congress for ten years, and am familiar with groups of all kinds representing special interests. Some are right, and some are wrong. But there are those who, when they decide to make themselves felt, are the most powerful pressure group in the world. I mean the American people -- the great mass of our citizens who have no special interest, whose interests are only the interests of the nation as a whole.

The only difficulty is that the great public body of American citizens who are not organized find it difficult to make themselves heard. I hope that the members of Congress will talk to their constituents while they are at home on vacation, and that immediately upon their return they will really do something substantial about strikes along the lines I have suggested instead of merely talking about them.

I have indicated my opposition, and I repeat it now, to the anti-Labor bills pending in the Congress which seek to deprive labor of the right to bargain collectively, or which seek to deprive a union of its ultimate right to strike. That is why I am so anxious to have on our books an effective statute which will have none of the evil effects of some of the legislation now pending.

Of equal importance with the settlement of management-labor disputes during this reconversion period is the question of keeping prices on an even keel. Here too there are pressure groups at work in the Congress and outside the Congress, constantly pushing, lobbying, arguing to take off price controls and let prices go up without interference.

We cannot keep purchasing power high, or business prosperous if prices get out of hand. There is no use talking about the expanded production upon which steady jobs depend, unless we keep prices at levels which the vast majority of the people can afford to pay.

Today the pressures for inflation are many times stronger than those which caused the inflation after World War I and which caused the depression. The

inflationary pressures now at work can bring an inflation and a crash that will be much more serious than 1929. That is why it is so important to get a high volume of production, a large supply of marketable goods right away. Production is the greatest weapon against inflation. Until enough goods can be made to supply the demand, the power of the government must be used to keep prices down -- or inflation will soon be at hand.

People have a right to protection for their savings. They should be assured that their earnings will give them a decent standard of living. Businessmen who want to plan ahead have the right to know now that the prices of the things they will have to buy in the future will remain predictable. They must have confidence now that the purchasing power upon which their markets depend will be protected.

We are all anxious to eliminate controls just as rapidly as we can do so. The steps that we have already taken show that. But price and rent controls will have to be maintained for many months to come, if we hope to maintain steady and stable economy. The line must be held. I shall urge the Congress after it reconvenes to renew the act as soon as possible and in advance of its expiration date, June 30, 1946.

Price control is only one of the war powers which require extension. Another is the Second War Powers Act, recently extended for six months instead of a year as I requested. Since we already know that war-born shortages of certain materials will surely plague us after June 30 this year, when the extended law will expire, the law should be extended again now. If this is done, all businessmen will know that short materials will continue to be fairly controlled and distributed. Unless we do this now, controls will begin to break down in a short time.

There are other things which should be done by the Congress if it would fulfil its responsibility to the nation. Many of these measures have already been recommended by me and have been written into proposed legislation by individual Congressmen. But the Congress has done little -- very little -- about them.

One essential part of our program designed not only to tide us over the reconversion period but also to carry us to our goal of full production and a higher standard of living, is the adoption of the Full Employment Legislation.

A satisfactory full employment bill was passed by the Senate. Another bill was passed by the House of Representatives which is not at all acceptable, and which does not accomplish any of the purposes sought. These two bills are now in conference between the Senate and the House of Representatives. It was my fervent hope, and I am sure that it was the hope of all progressive Americans, that before the recess of the Congress for the Christmas holidays the conferees would have reported a satisfactory full employment bill for adoption by both Houses. No such bill has been reported. It is now important that the Conferees report a satisfactory bill immediately upon the reconvening of the Congress.

One of the measures which I have been urging upon the Congress ever since May of last year is that the federal government make provision to supplement the unemployment insurance benefits now provided by the different states. While unemployment has not reached anything like the level which was feared, there still is need to provide at least some measure of subsistence to those men

and women who do lose their jobs by the end of war production. The Senate has passed an acceptable measure along these lines. But in the House of Representatives the bill is now locked up in the Ways and Means Committee. It will remain locked up in that committee unless the people of the United States insisted that it be reported out and passed.

On several occasions I have also asked that the Congress outlaw by permanent statute un-American discrimination in employment. A small handful of congressmen in the Rules Committee of the House of Representatives have prevented this legislation from reaching a vote by the Congress. Legislation making permanent the Fair Employment Practices Committee would carry out a fundamental American ideal. I am sure that the overwhelming mass of our citizens favor this legislation and want their congressmen to vote for it.

I have also asked that the Congress raise substantially the amount of minimum wages now provided by law. There are still millions of workers whose incomes do not provide a decent standard of living. We cannot have a healthy national economy so long as any large section of our working people receive wages which are below decent standards. Although hearings have been held on this question in the Congress, no action has been taken. The bills are now resting in the Education and Labor Committee of the Senate and in the Labor Committee of the House of Representatives.

And so it goes with measure after measure now in the Congress. Time is running out.

There are other problems like comprehensive scientific research, universal training, a health and medical care program, an adequate salary scale for federal employees, the Presidential succession, river valley development and others.

I intend no blanket criticism of the Congress. Devoted and far-seeing men in both the Senate and the House have labored to make effective a program adequate to our needs. But if they are to succeed, they must be reinforced by you -- the people they represent. And let me make it very clear that when I speak of bills not getting any action, it is not the Congress as a whole which is responsible. All these measures -- and many others -- have been referred to various committees of the Congress. That is the regular procedure. There they await action.

Generally speaking, unless the committees act to report the bills, the members of the Congress as a whole never get a chance to vote for or against them. It is the committees which hold up action on bills. Indeed, it is usually not even the whole committee. On many of these subjects I personally know that there are individual members of the respective committees who are trying to induce their colleagues to report on bills, but often a bare majority of a committee - handful of men - can prevent a vote by the whole Congress on these measures of major policy. What I am asking is that these various committees at least give the representatives of the people a chance to vote "Yes" or "No" on these vital issues -- and that they give them that chance soon.

When I speak of my recommendations and proposals, I also want to make it very clear that I have no pride of authorship in them at all. There are, however, such things as "must" objectives. It is my responsibility to outline those objectives to the Congress and to the people. And to attain those objects there are certain steps which must be taken, to get us safely over this reconversion period and to establish and maintain a stable economy for the future.

If the measures which I have recommended to accomplish these ends do not meet the approval of the Congress, it is my fervent wish -- and I am sure that it is the wish of my fellow citizens -- that the Congress formulate measures of its own to carry out the desired objectives. That is definitely the responsibility of the Congress.

What the American people want is action. In any discussion of action at this time, housing must be considered. In this field, the Congress is co-operating, and there is much to be done. Of the three major components which make up our standard of living -- food, clothing and housing -- housing presents our most difficult problem. As for food, there is every prospect that 1946 will be a peak year of production. As for clothing, it is expected that production will reach a satisfactory level sometime this year. But in housing the situation is different.

We urgently need about five million additional homes. This does not include the replacement of millions of existing sub-standard dwellings in the cities and on the farms. The greatest number of homes constructed in any one year before the war was less than a million. It is clear, therefore, that this is an emergency problem which calls for an emergency method of solution. We must utilize the same imagination, the same determination that back in 1941 enabled us to raise our sights to overcome the Nazi and Japanese military might. With that imagination, and determination we can mobilize our resources here at home to produce the housing we require.

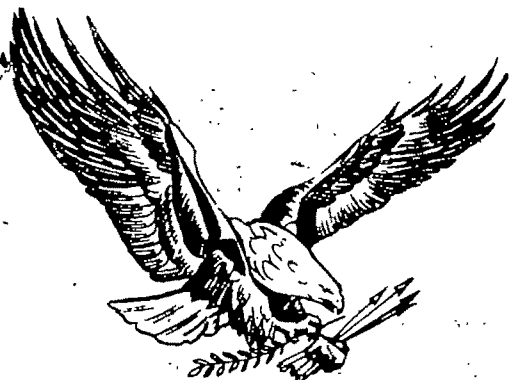
Because of the critical need I have appointed an emergency housing expeditor. He will be empowered to use every agency of the government and every resource of the government to break the bottlenecks and to produce the materials for housing. The government is determined to give private enterprise every encouragement and assistance to see that the houses are produced -- and produced fast. Where private enterprise is unable to provide the necessary housing, it becomes the responsibility of the government to do so. But it is primarily a job for private enterprise to do -- a job which is as stimulating as any goal we set during the war.

The members of the Congress are now at home. During this period they will have the benefit of close contact with you -- the people whom they serve. From personal experience, I know that contact with the people back home helps every public servant. I urge you to tell your public servants your own views concerning the grave problems facing our country. In a free country the voice of the people must be heard.

I fully appreciate the many problems which congressmen face. They have done a great wartime job under most trying conditions. The complicated return to peacetime has increased their difficulties. I seek no conflict with the Congress. I earnestly desire cooperation with the Congress. Orderly procedure in the Congress is indispensable to the democratic process. But orderly procedure does not mean needless delay.

Stable world relationships require full production and full employment in the United States. There are voices of defeat, dismay, timidity among us who say we cannot do it. These I challenge. They will not guide us to success, these men of little faith. We cannot shirk leadership in the postwar world. The timid men, distrustful of each other.

We cannot face 1946 in a spirit of drift or irresolution. The men and women who made this country great and kept it free were plain people with courage and faith. Let us justify this heritage. ---USIS.



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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, - that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

- - An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of *Abrams v United States*.

January 9, 1946.

BYRNES SAYS ATOMIC ENERGY COMMISSION WILL BE PURELY ADVISORY

Washington, Jan. 8 -- Secretary of State Byrnes made the following statement yesterday, just before leaving for London, in response to a question as to the atomic energy resolution formulated at the recent Moscow conference of the Foreign Ministers of Russia, Britain and the United States:

"In accordance with usual practice, the resolution on the control of atomic energy will undoubtedly be referred to a committee and our representatives will have ample opportunity to make certain that there is no misunderstanding as to the purpose, scope and operation of the commission.

"The phases of the problem which the commission is to inquire into are those raised by the discovery of atomic energy referred to in the opening sentence of the proposed resolution. The problem referred to the commission *is* not how atomic energy is to be produced, but how it shall be controlled in the interest of peace. I do not see how the language used can possibly be construed to give the commission authority to obtain information which is not publicly available

or which . . .

or which is not voluntarily given to it under the United Nations Charter. The language of the resolution makes it clear that even in the exchange of basic scientific information for peaceful purposes the commission has authority only to make recommendations.

"While our delegation to the United Nations Assembly may vote to authorize a study by a commission of the international problems raised by the discovery of atomic energy, such action could not give the commission the authority to decide what information the United States or any other government should place at its disposal.

"If the commission, upon which the United States is represented, recommended exchange of any scientific information, this recommendation would go to the Security Council. Action by the Security Council requires concurrence of the five permanent members, including the United States. Therefore, unless the United States concurs in the recommendation it could not be adopted.

"If the United States concurred and the Security Council adopted the recommendation, it would still be for the government of the United States by treaty involving Congressional action to determine to what extent that recommendation should be acted upon. If action is required by treaty it would take a two-thirds vote of the Senate to ratify the treaty. Under all these circumstances I think the interests of the United States are fully protected.

"Before the first session of the United Nations Assembly our delegation will have a meeting and we will have an opportunity to discuss all the subjects on the agenda."

Before boarding his plane at the airport, Byrnes told press correspondents that he will stay in London for the duration of the debate on the Big Three resolution on atomic energy control. He expects to be back in about a fortnight.

---USIS.

REPORT REVEALS U.S. WAS PREPARED FOR BACTERIOLOGICAL WARFARE

Washington, Jan. 8 -- The U.S. Navy Department has disclosed the nature of work in the field of bacteriological warfare performed during the war by a small naval command known as the Naval Medical Research Unit Number One, which devoted the major portion of its personnel and facilities to investigations of possible use by the enemy of a certain infectious disease.

The disease in question, of which the identity must still be withheld, is centuries old and one of the greatest of killers. In the words of Captain Albert Paul Krueger, medical officer in command of this medical research unit, "the program was undertaken not from the standpoint of academic research but with a view to obtaining short-term practical results with regard to the offensive possibilities and defensive counter-measures."

After 33 months of research conducted at the University of California, it can now be revealed that considerable knowledge has been gained in the methods of mass defense against possible enemy employment of this disease and that conclusive information has been obtained which would be of great value not only for protection from bacterial attack but for control of communicable air-borne diseases during peacetime.

The work of the Naval Medical Research Unit Number One has been so successful that it is continuing into 1946 coordinated by the Bureau of Medicine and Surgery with the Army and Navy bacteriological warfare program.

A report released by the War Department disclosed that the United States had developed extensive defense against germ warfare during World War Two and was prepared to act both defensively and offensively if Germany or Japan had resorted to bacteriological warfare against the United States. Some of the important developments and research accomplishments of the special bacteriological warfare program initiated by the United States during the war included:

Development of methods and facilities for mass production of micro-organisms and their products.

Significant contributions to the knowledge of control of air-borne disease-producing agents;

Production and isolation, for the first time, of crystalline bacterial toxin, which opened the way for the preparation of more highly purified immunizing toxoid;

Development and production of effective toxoid in sufficient quantities to protect large scale operations should this be necessary;

Significant contributions to knowledge concerning the development of immunity in human beings and animals against certain infectious diseases;

Important advancement in the treatment of certain infectious diseases of human beings and animals and in the development of effective protective clothing;

Information of the effects of more than 1,000 different chemical agents on living plants; and

Studies of^o production and control of certain diseases of plants.

"All evidence to date indicates that the Axis powers were behind the United States, the United Kingdom and Canada in their work on bacteriological warfare," said George W. Merck, special consultant for bacteriological warfare. He added that the United States' "objective was attained; adequate defenses against a potentially dangerous method of warfare was devised and much information of great and lasting value for human welfare was obtained."---USIS.

MEXICO CLEARS AMERICAN FIRMS OF CHARGE OF SUPPLYING ARMS

Washington, Jan. 8 -- The Mexican under secretary Manuel Tello has informed United States Ambassador to Mexico George S. Messersmith that the Mexican government, after investigation, had found no basis for the recent statement by the Mexican labor leader, Vincent Lombardo Toledano, charging private American firms with supplying arms and ammunition to Mexican political factions, the U.S. State Department announced Saturday.---USIS.

U.S. RESUMES DIPLOMATIC RELATIONS WITH SIAM

Washington, Jan. 8 -- The U.S. State Department said in an announcement that the United States formally re-established diplomatic relations with Siam Saturday, after a lapse of nearly four years. The announcement said restoration of diplomatic relations between Great Britain and Siam took place simultaneously. The announcement said the formal resumption of friendly relations which have characterized Siamese-American affairs for over a century occurred when Secretary of State Byrnes received Luang Dithakar Baakdi, Charge d'Affaires of the Siamese Legation here, and Charles W. Yost became Charge d'Affaires of the American Legation at Bangkok, capital of Siam. The announcement added:

"We look forward to even closer friendship in the future and to early admission of Siam to membership in the United Nations Organization.

"This government welcomes the re-establishment of friendly relations between Great Britain and Siam following the recent termination of the state of war between the two countries. Though not a party to the British-Siamese negotiations leading to the recently concluded agreement terminating the state of war between Great Britain and Siam, this government has naturally deep interest in the negotiations. For a period of several months this government was in friendly conversation with the British government concerning the proposed terms of that agreement and it made known to the British government its views on a number of points which it considered either of direct concern to the United States or of general concern to all the nations interested in the stability and prosperity of southeastern Asia.

"This government was pleased with the ready and cordial response the British government accorded the views which were represented.

"The conclusion of British-Siamese state of war and resumption of diplomatic relations with Siam by the United States and Great Britain are important steps toward restoration of a peaceful, stable world in which all countries will work closely together within the UNO."

The Siamese declaration of war on Great Britain was made on January 25, 1942. There never was a complete break between the United States and Siam, the United States having maintained relations with the Siamese minister in Washington although not with his government at home.---USIS.

COMMITTEE TO FACILITATE IMMIGRATION TO LEAVE U.S. ON JANUARY 18.

Philadelphia, Jan. 8 -- Ugo Carusi, United States Commissioner of Immigration, announced today that a committee to study immigration of displaced persons to the United States will sail for Europe on January 18.

"We have already begun to follow the mandates and authorizations of President Truman's directive," Carusi said, adding: "The committee, consisting of myself and representatives of the State Department and the United States Public Health Service, will sail for Europe on January 18 to establish appropriate facilities and practical aid to give effect to that portion of the President's directives which relates to immigration of displaced persons in Europe."---USIS.

U.S. TARIFF COMMISSION REPORTS ON JAPANESE INDUSTRIES

Washington, Jan. 8 -- The United States Tariff Commission announced yesterday that with the cooperation of the Foreign Economic Administration it is releasing a series of reports on Japan which were prepared by members of the staff of the Tariff Commission at the request of the Foreign Economic Administration as part of the Commission's cooperation with war agencies.

The reports were prepared to determine the extent to which Japanese industries were built up for war purposes, and their effect on the economy of Japan and of the United Nations, particularly the United States. The material being made available at this time consists of an innovated tabular survey which contains a detailed analysis of 225 commodities important in the import and export trade of Japan, Korea and Formosa. The survey covers trade in the period 1928-39, describes each product in relation to its importance in trade, and discusses the postwar problems involved.---USIS.

ARNOLD STRESSES IMPORTANCE OF AIR POWER

Washington, Jan. 8 -- "There can be only one mission for air forces in the future of aviation and that mission is to preserve the peace," General Henry H. Arnold, chief of the United States Army Air Forces, said in a talk over a national network Sunday. Arnold added in part:

Air power today is the first priority weapon for world peace, and the first weapon of attack. It may be the only weapon should there be another war. So air power must be the weapon of law that protects peaceful peoples from international thieves. I mean simply that overwhelming air power, at the disposal of an international security council, is the present way to peace. So the United States must have air power of top quality at all times.

Maintaining this air power we need is a job that falls into three parts. Part one can be called air power in being. It is the maintenance of a striking air force that the aggressor knows can take off against him on notice of minutes and hours, instead of months and years, when called upon to defend the peace. This force must have overseas bases to be effectively deployed. It must constantly be infused with new weapons, devices, and methods. It must always be at the peak of readiness.

Part two is the foundation of air power. It includes constant and driving research that must never flag. The overall effect of such research upon general aviation, commercial and otherwise, could not be anything but tremendous.

Part three is support of air power. The air force must pioneer in the emphasis of the significance of air so that Americans become the most air-minded people in the world. The air force needs an air-minded public to support it, to guide it, and to people it with its sons seeking an honorable career in the service of their country.---USIS.

U.S. SHIFT TO PEACETIME ECONOMY IS ORDERLY

Washington, Jan. 8 -- In a year-end statement to the press on the economic situation in the United States in 1945 and the outlook for 1946, **Secretary of Commerce Henry A. Wallace** said the outstanding feature of the economic situation last year in the United States "was the resilience with which the economy took the shock of the sudden end of the war." The New Year will see many new problems for the United States economy, but adjustment of the nation's resources from war to peacetime use "may be expected to continue throughout the year," Wallace said.

Wallace added in part:

Business activity turned downward in the second half of the year, but the shift from wartime economy was orderly. National production and national income for the year as a whole are expected to be 196,000 and 160,000 million dollars respectively, only slightly below 1944. This was due in part, however, to higher totals in the first half of the year, which were more than offset by the drop in the second half of 1945.

The difficult process of changing over from war to peacetime economy is gradually being accomplished. By the end of the year, technical and physical conversion of plants to civilian production had been in large part completed, though supply of new finished products was still small.

As is natural in the process of reconversion to civilian economy, an important part of productive work was directed toward replenishment of civilian goods inventories, many of which had been reduced to minimum levels during the war period. Thus, in spite of sharp liquidation of privately held inventories of war goods, total business inventories showed a pronounced net increase in the second half of the year, after a period of decline which started in the second half of 1941.

With the release of resources for civilian use, more goods and services were available for consumers in 1945, although supply of many important consumer durable goods, such as automobiles, refrigerators, washing machines and radios,

was still negligible, and deficiencies in relation to demand were also evident in a wide range of soft goods and services.

Expenditures for non-durable goods, already at a high level at the start of the year, increased in dollar totals over the previous year by about five per cent in the first three quarters and by about seven per cent in the fourth quarter of the year.

The effect of declining war expenditures on the flow of incomes was most evident in the shrinking of total wages and salaries. These payments dropped by 12 per cent from the first to the fourth quarter of the year. Demobilization of the armed forces accounted for some of this decline, although the bulk of it occurred in the civilian sector where **the principal factors** were reduction in hours worked, loss of overtime pay and some decline in employment.

In contrast, the income of farmers and independent business men showed little change from wartime levels. Corporate profits were more adversely affected by cutbacks in war production, but for the year as a whole, profits (after taxes) are estimated to have exceeded those of any pre-war year. Income payments to individuals are estimated at 160,000 million in 1945, an increase of 4,000 million over 1944.

One of the factors bolstering business activity was the shift from saving to consumption. Thus the proportion of income, after taxes, which was saved by individuals dropped from 30 per cent in the first half of the year to 20 per cent by the fourth quarter. Even though the shift in proportion of income spent was substantial, peacetime relation of consumption to income had not been re-established. If the supplies of durable goods and wartime scarce items of non-durable goods and services had been adequate, consumers would have spent in 1945, on the basis of prewar income spending relationships, from 115,000 to 120,000 million dollars -- that is 10,000 to 15,000 million dollars more than they actually spent.

As we enter 1946 we are confronted with an economic situation which

differs in many aspects from that which we faced a year ago. Our major problems to be overcome include speeding up of output in reconverted industries; re-employment into civilian occupation of millions of veterans; building of a greatly enlarged flow of goods and required services; and development of a balanced relationship between prices and costs so as to lay the basis for extending business prosperity after the impetus now imparted by deferred demands has spent its force.---USIS.

TRUMAN SATISFIED WITH MOSCOW CONFERENCE ACHIEVEMENTS

Washington, Jan. 8 -- President Truman told a press conference today that he was satisfied with the Moscow communique of the Big Three foreign ministers and with the accomplishments at their conference. He pointed out that it already had shown constructive results, especially in Rumania. He said the United States will not recognize Rumania and Bulgaria until they have given guarantees and assurances that they will have free and unfettered elections.

Truman said in answering a query on the Yugoslav elections that recognition of that country was conditional. He hoped the situation in that country would improve.

The President said he fully approved the agreement on the control of Japan as set forth in the Moscow communique. He added that he was always in favor of an advisory committee for Japan, explaining that America's allies were entitled to that.

Asked for comment on the report from England that the Russians had developed a better atom bomb, Truman said there was no reason to believe the correspondent's story.

The President said he had talked this morning with a group of senators on the possibility of getting mail into Germany. He told them it was impossible now because of transportation difficulties. First, he added, the United States must work out an agreement with the Russians and French and he hoped this would be done. This service, when it comes, could be used for mailing food as well as other articles.

Truman, answering a query, said he favored an immigration quota for India. ---USIS.

JOINT ACTION FOR MUTUAL SECURITY IS AIM OF U.S. INTER-AMERICAN POLICY

Washington, Jan. 8 -- Spruille Braden, assistant United States Secretary of State for American Republic Affairs, said last Saturday that the United States does not intend to intervene in the affairs of the other American nations but "neither do we intend to stand idly by while Nazi or Fascist ideology, against which we fought the war, endeavors to entrench itself in this hemisphere."

Braden and Ellis O. Briggs, director of the State Department Office of American Republic Affairs, discussed the question, "What is Our Inter-American Policy?" on the foreign policy radio program of the National Broadcasting Company's University of the Air.

"Our policy of non-intervention in the affairs of other American nations," Braden said, "is fundamental and will continue." Braden added: "We have no intention of taking that kind of unilateral action. Our policy is one of joint action with the other Republics -- group action for our mutual security."

Discussing Argentina he said: "There is one basic fact about Argentina. The majority of the Argentine people have always been pro-democratic and opposed to totalitarian dictatorship. That is truer today than ever before. A good example of the opposition to Argentina's fascist regime was the magnificent 'march of the constitution and of freedom' last September, when an estimated half a million Argentines paraded through the streets of Buenos Aires. That day society women and men in overalls marched side by side. It was an impressive demonstration for democracy carried out despite every possible obstacle put in its path."

Yet, Braden said, all through the war the Axis forces in this hemisphere used Argentina as their base of operations and these Axis forces still constitute a danger to the Americas. He said that "nothing has been done against the most powerful and therefore most dangerous Axis elements" in Argentina.

Braden stated his support for the Uruguayan proposal for collective

intervention in

intervention in the internal affairs of any American Republic that violates fundamental human rights and international obligations. "We are convinced," he said, "that the Uruguayan proposal is sound and moreover fully in accordance with the development of the inter-American system." He said replies sent to the Uruguayan minister thus far show a "broad area of agreement" among nations on the principles involved in the proposal.

Braden repeated the words of Secretary of State Byrnes in giving official approval to the Uruguayan proposal: "Violation of the elementary rights of man by a government of force and non-fulfillment of obligations by such a government is a matter of common concern to all Republics. As such it justifies collective multilateral action after full consultation among the Republics in accordance with established procedures."

Briggs said the present military regime in Argentina has a "typically National Socialist program" and has followed "recognized Nazi tactics." He added: "We don't intend to intervene to impose democracy on anyone. We do feel most friendly toward those governments that rest on the freely and periodically expressed approval of those who are governed. We are just as friendly to peoples living under regimes where they must struggle for such expression."

Braden denied charges that the United States acted unilaterally in requesting the postponement of the Rio Conference which, he said, "was called for just one purpose: to write the Act of Chapultepec into the form of a permanent treaty, whereby the countries of this hemisphere would come to the aid of any American Republic whose security might be threatened." Braden explained that the conference "is scheduled for some time between March 15 and April 15 of this year," and added: "The treaty, when it is drawn up, will be in full harmony with the United Nations Organization."---USIS.

ALLIED CONTROL COUNCIL DRAWS UP FIRST LIST OF GERMAN REPARATIONS PLANTS

Washington, Jan. 6 -- The United States State Department and the Office of International Trade of the Department of Commerce Saturday released the first list of two groups of industrial plants declared available for allocation on German reparation account by the Allied Control Council. It is expected that some of the 43 plants listed will be available by the latter part of the year, after allocations are made and dismantling, packing and transportation arrangements are completed.

Among the plants are some producing electric power, aluminum foil, chemicals, machine tools, ignition equipment, coke and byproducts, screw machinery, aircraft parts, optical equipment, forgings, ball bearings, motorcycles, small arms, explosives and ammunition, submarines and small ships, harvesting equipment, tractors, cement, pig iron, stoves and household equipment.

Subsequent lists will be released as other German factories are declared eligible for removal by the ACC.

In determining which plants will be claimed for transfer to the United States, consideration will be given to the need for and availability of such facilities in the United States. It is expected that wholly German-owned plants will be the first to be earmarked for removal from Germany. When a plant with substantial American property interest is earmarked for removal, the State Department will determine, after consultation with the American owners involved, whether the United States should claim such plant as part of its reparation share. If a plant actually is obtained by the United States government as reparation, due consideration will be given to American property interests in determining the new foreign location of the plant and conditions of its sale.

---USIS.

TRUMAN EULOGISES LAND'S ACHIEVEMENTS

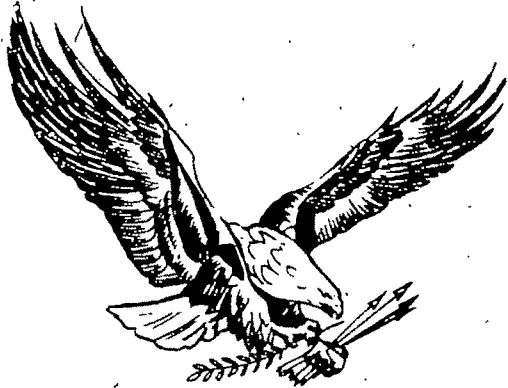
Washington, Jan. 8 -- President Truman praised Emory S. Land for his achievements as commissioner and chairman of the United States Maritime Commission and administrator of the War Shipping Administration in accepting his resignation, which is to become effective January 15. The President told him: "Your lasting satisfaction will be the realization of your superb achievements." The President's letter to Land said in part:

"Your job was colossal: provision of shipping space adequate to support the military operations all over the face of the earth. That involved construction under your leadership of more than 50 million deadweight tons of merchant shipping -- an achievement without parallel in the whole maritime history. There were also colossal problems involving administration, personnel conversion and a hundred other things, all of which went into the job of creating and maintaining the largest merchant fleet ever built by one nation."

Land has been chairman of the Maritime Commission, a position to which he was appointed by the late President Roosevelt, since February 18, 1938. During his term he helped develop the merchant ship construction program which became the largest ever attempted by any nation. Under his chairmanship the Commission's original plan for construction of 500 ships in ten years was broadened to meet war requirements to a point where 3,500 ships were produced since 1942. The Commission also inaugurated and expanded the organization's facilities for training personnel of the Merchant Marine to meet the officer and crew requirements created by the vast building program.

The merchant fleet which Land helped develop maintained supply lines from the United States to the western, eastern and southern fronts in Europe, to southeast Asia and 6,000 miles across the Pacific to the Philippines and Okinawa.

Land was born in Canon city, Colorado, on January 9, 1879. He was graduated from the University of Wyoming and the United States Naval Academy. By a special act of the Congress he was promoted to Vice Admiral on July 1, 1944. Land attended the Yalta and Potsdam conferences.---USIS.



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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, - that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of *Abrams v United States*.

January 11, 1946

LOAN TO BRITAIN IS STEP IN RESTORING WORLD ECONOMY

Philadelphia, Jan. 10 -- The projected United States loan to Great Britain is an example of what can be done to eliminate the economic causes of international conflict, U.S. Secretary of the Treasury Fred M. Vinson said last night, speaking before the American Academy of Political and Social Sciences (a private organization).

U.S. Foreign Liquidation Commissioner Thomas B. McCabe, who also spoke, said the 3,750-million-dollar line of credit which the United States would extend to Britain under the terms of the agreement represents not only a significant step in the direction of a sounder world economy but is also a good investment for America from the purely business angle.

The measure has not yet been approved by Congress, but is scheduled for consideration soon after Congress reconvenes next week. Vinson said in part:

"The people of the United Nations have given ample evidence of their

earnest desire to eliminate the economic causes of conflict. But they cannot pursue this course until they have a reasonable assurance that their economies will function. That is a practical problem that faces us now, and the proposed loan to Britain, which is subject to approval by Congress, is a specific example of the problem.

"Under the necessity of war, Britain introduced extensive trade and exchange controls in order to mobilize for total war. The use of foreign exchange was stringently limited by complete control of imports and payments outside a group of countries known as the sterling area.

"Unless she has help in obtaining her essential import needs during the next three to five years, Britain would have to retain and extend the wartime trade and exchange controls. Trade within the sterling area would be built up, while trade with the outside world would be kept to a minimum. We are part of that outside world.

Projected Trade Conference

"An international conference is to be held next summer for the purpose of establishing an international trade organization, and of reaching an agreement to reduce barriers to trade, to eliminate discrimination in trade and to facilitate maintenance of high levels of employment.

"It is unfortunate that there have been some intemperate statements concerning the terms of the proposed loan. In Britain they have been called too hard, in the United States, too easy. They are, in my judgement, fair to both countries. They take account of Britain's need for aid and her ability to repay. They take account of the financial cost to this government of providing aid to Britain. The interest charged Britain is reasonably comparable to what it costs this government to borrow money.

"The amount of the proposed British credit is large, but is needed to do the job. In my judgement, this is not an expenditure but an investment. It is sound business for America.

"Approval of the financial agreement with Britain will mark real progress in the restoration of world economy. It will be a significant contribution to the prompt attainment of those objectives of order and freedom in international exchanges that the Bretton Woods program has boldly set up as the basis for international trade and investment after the war. It will make possible agreement among the United Nations to establish an international trade organization devoted to the maintenance of fair practices in international trade.

"We, more than any other country, are concerned with the kind of economic world that is now being built. The fact is that we would be the primary target in the continued use of restrictive and discriminatory currency and trade measures. There is no doubt that we could take counter-measures. There is no doubt we could defend ourselves if economic warfare should break out. But the cost to us and to the world would be reflected in decreased trade, decreased employment, and lower standards of living. Neither we nor any other country can afford a breakdown in international economic relations."

McCabe's Warning

McCabe drew attention to the dangers of blocs and cartels. He said in part: "I would be for the loan solely for business reasons, even though no other considerations were involved. I will go further. I think the loan would be a good investment for America even though we had no claim for its repayment. That is a startling statement. I would like to give you my reasons as a businessman for coming to these conclusions. They are based on the purpose of the loan, one of which is 'to assist the government of the United Kingdom to assume the obligations of multilateral trade.'

"The proposals deal with tariffs, preferences, cartels, quota arrangements, discriminations, possible commodity agreements and so on. From a long-range point of view these proposals, to be agreed upon by other countries of the world, will greatly assist in getting the world out of the nationalistic, archaic form of trading which prevailed from World War One to World War Two. The potentialities

for peace in the world are dependent to a great extent upon unshackling the world from its vicious economic chains. Economic peace cannot be achieved in a world of blocs, preferences, cartels, and discriminations."---USIS.

"AMERICA MUST HELP IN WORLD INDUSTRIALIZATION TREND"

New York, Jan. 10 -- "Following consultations with other government agencies, the Commerce Department will urge Congress to extend the wartime export control legislation until June 30, 1947, in the interests of carrying on trade on short supply items in an orderly manner," Arthur Paul, of the Office of International Trade, told a meeting of 200 foreign traders in New York yesterday. Following the meeting, Paul listed lumber, textiles, steel, many food products, automotive parts and a large group of building materials as among the products in current short supply which made continued export contracts necessary.

The most constructive way of promoting American foreign commerce, Paul declared, is for the United States to take the lead in developing international trade by following and assisting the current trend toward industrialization. This should be done, he said, by the use of a liberal credit policy. The coming decade of world industrialization, he added, will change the pattern of American foreign trade as well as increase it. It will provide new scope for American management and capital, Paul said, and will be a force toward raising the living standards of backward peoples.---USIS.

EISENHOWER ORDERS RETURN OF SURPLUS GIs REGARDLESS OF POINTS

Washington, Jan. 10 -- General Eisenhower, U.S. Chief of Staff, has ordered all overseas commanders to provide for the return to the United States, "without delay" and regardless of points, of any United States troops for which there is no military need, it was disclosed yesterday by acting Secretary of War Kenneth C. Royall. Royall stated that the War Department took this decision after reviewing the entire demobilization situation.---USIS.

REMOVAL OF OBSTRUCTIONS TO FREE FLOW OF INTERNATIONAL NEWS URGED THROUGH UNO

New York, Jan. 9 -- Now is an opportune time for the carrying of a free press campaign to the Assembly of the UNO, the New York Times said in an editorial today. The editorial said in part:

Americans believe overwhelmingly that a free world cannot exist without a free press. It is encouraging to note with what insistence freedom of the press is now being urged on the delegates to the United Nations Organization assembling in London.

Hugh Baillie, president of the United Press, has just submitted to Edward Stettinius, head of the American delegation, a specific program for removing some of the major obstructions to a free flow of international news. Kent Cooper, executive director of the Associated Press, has continuously backed the same objective. The American Society of Newspaper Editors has called on Stettinius to initiate action to guarantee such a free exchange.

In this country we take freedom of the press for granted. It is one of the basic pillars of our Bill of Rights. No attempt to circumscribe it could succeed. That is true nowhere else in the world except in England, in certain other nations of western Europe, in the British Dominions, in parts of South and Central America and perhaps now in occupied Japan. Everywhere else the press is more or less shackled.

Now is the time to carry the fight for a free press to the Assembly of the UNO. President Truman is committed to it. Stettinius is for it. The American delegation has been so instructed. Every help that can be given by American agencies which have been active in the battle should be offered and emphasized. One of the fundamentals of liberty is the right to report, transmit and publish the news.---USIS.

4

UNO IS BETTER EQUIPPED THAN THE LEAGUE TO MAINTAIN PEACE

New York, Jan. 10 -- An editorial in today's New York Times, titled "Second Chance," points out that the first meeting of the Assembly of the United Nations Organization comes exactly 26 years after the old League of Nations was formed. The editorial said in part:

The specter at this feast is the failure of the League. On what grounds do we expect UNO to do better?

In the first place, UNO unites the military and economic power of civilization as the League never did. No one would look for UNO's success without the United States and Russia, yet neither nation was represented at Geneva in November 1920.

In the second place, UNO is committed to action against any future aggressor as the League never was. Or it might be said that though the League was committed in principle, there were in fact no effective guarantees.

In the third place, UNO has the backing of an informed public opinion that the League could not possess. UNO will have more support because hundreds of millions of people would rather give it support than die in the flaming ruins of their own cities.

This hatred of war does not produce immediate harmony. Conditions exist which in older times would have led to war. But UNO has been brought into being to see to it that they do not lead to war; that differences are honestly debated in the Assembly; that the great powers dominating the Security Council adjust their disputes without the shedding of blood; and that humanity be not again crucified on the cross of arrogant nationalism.

Benjamin Franklin truly observed of the Founding Fathers of this country that "when you assemble a number of men to have the advantage of their joint wisdom, you inevitably assemble with those men all their prejudices, their passions and their errors of opinion, their local interests and their selfish views." This will be true in London. Let us expect it and not be disappointed. But the selfish men in Philadelphia in the year 1787 laid the foundations of a new nation. Today's selfish men, in this hour of urgent need, can lay the foundations of a new world, ---USIS.

FAR EASTERN AGREEMENTS PROVIDE SOLID FOUNDATION FOR LASTING PEACE

New York, Jan. 10 -- The Far Eastern agreements reached in Moscow at the recent conference of the Foreign Ministers of Russia, Britain and the United States promise to provide a solid foundation for lasting peace, Sumner Welles said in an article in yesterday's New York Herald Tribune. Welles added in part:

The creation of the new Far Eastern Commission of 11, upon which smaller powers as well as the Big Four are represented, makes it possible for countries having vital interests in the Pacific to be effectively heard when long-range policies are determined. There can be no assurance as to the future course of Japan unless all the powers directly concerned in the Pacific -- and particularly the four major powers -- pursue an identical policy. The experience which peaceful nations have had with Germany during the years between the two world wars furnishes convincing need for such cooperation. The agreements with regard to Japan are predicated upon the essential need for this country to work out postwar solutions in all parts of the world by cooperative methods.

The agreement upon Korea seems to me to be of primary significance. It specifically establishes for the first time the basis for an international trusteeship. If the agreement upon Korea is carried out in accordance with the terms of the present declaration, the Korean people will be able to assume the full responsibilities of independence far sooner than they could if they were now left to sink or swim without outside help.

In the approach which has thus been made to the establishment of the foundations for a peaceful Far Eastern Order there is still left open the question of treatment to be accorded to colonial peoples. A decision upon the most practical and equitable method through which all dependant peoples in the Far East will be assured of their ultimate independence should be one of the first questions to be placed upon the agenda of the United Nations Organization when it is constituted.---USIS.

EDITORIALS ACCLAIM U.S. RECOGNITION OF AUSTRIAN GOVERNMENT

New York, Jan. 10 -- The recent act of recognition by the United States -- made jointly with France, Britain and Russia -- of the Austrian government is in keeping with the free elections that took place in Austria in November, editorials in two leading United States newspapers pointed out. However, much remains to be done toward democratization of the other Balkan governments, the editorials added.

The New York Times said in part: "Recognition (of Austria) follows the elections of November 25 which created a government based on the freely expressed choice of the Austrian people. This lends special significance to President Truman's statement at his press conference Tuesday that American recognition of the Tito government in Yugoslavia is still conditional, that he still hopes for free democratic elections in Rumania and Bulgaria and that he will not authorize final recognition of their governments until he is satisfied that they are representative.

"In extending recognition to the Tito regime in Yugoslavia, the State Department had already denied any claims that this regime is either truly representative or that it holds power by virtue of a free election, but the President's statement seems to go even further, with its final implications still to be explained."

The San Francisco Chronicle said in part: "American recognition of Austria was a foregone conclusion, the November elections in Austria having obviously been free. If the outcome testified to the fairness of the elections, what followed bore witness to the personal prestige of Dr. Karl Renner, head of the defeated Socialist Party, when the new assembly immediately elected him president of the Republic. Thus although Austria's economic prospects are not bright, Austrians refused to make their country's future hopeless by intransigent factionalists."

--USIS.

UNEMPLOYMENT FIGURE IN THE U.S. REACHED TWO MILLION IN DECEMBER

Washington, Jan. 10 -- Director J. G. Capt of the Bureau of Census, Department of Commerce, yesterday released preliminary estimates of employment and unemployment based on a cross section survey made by the Census Bureau. The report showed that unemployment had increased by 300,000 between November and December and reached a total of slightly more than two million by December 8. The December estimate of slightly over two million is to be compared with the figure of 1,710,000 in November and 830,000 in August, just prior to V-J Day.

The employment figure, estimated at 51,810,000 in December, remained virtually at the November level. However, the number of persons of 14 years of age and over outside the labor force increased substantially, reflecting in part the seasonal withdrawal of agricultural workers and in part the return to civilian life of servicemen who have not yet begun looking for jobs.---USIS.

AUSTRIAN REFUGEES IN U.S. FREE TO RETURN

Washington, Jan. 10 -- The ban on granting of exit permits for Austrian refugees who wished to return to their country has been lifted, the U.S. State Department announces. The statement added:

Austrian refugees who fled to the United States to escape Nazi tyranny after the forcible annexation of Austria by Germany in 1938 may now receive the necessary authorization to return by application to the State Department.

The United States did not recognize the German annexation of Austria in 1938 and provided a haven for many Austrians who escaped the religious and political persecution by Nazis. They have made contributions to American democracy and to the war against Fascism. Those who return will be able to contribute to the reconstruction of Austria and to assist in the completion of Allied objectives as stated in the Moscow declaration as well as to bring to the Austrian people the assurance that the United States is fulfilling its pledge to create an independent and democratic Austria.---USIS.

U.S. STATE DEPARTMENT OFFICIAL WITH 36 YEARS' SERVICE DEAD

Washington, Jan. 9 -- Acting Secretary of State Dean Acheson today made the following statement: "It is with deep regret that I have learned of the sudden death in Palm Beach, Florida, on January 5, of Joseph Richardson Baker. For 36 years Mr. Baker rendered distinguished service to the Department and to the United States government in various capacities. His death will be mourned by many friends and associates in Washington."

During the 36 years in government service Baker served as special agent for the State Department in Samoa and Panama, as a member of the United States Panama Commission to negotiate the treaty of 1924, as a United States delegate to the Paris Conference on Air Navigation in 1929, as technical advisor to the United States delegation at the Geneva conference on Red Cross and Prisoners of War in 1929 and as advisor to the United States delegation at the Buenos Aires Conference on Maintenance of Peace in 1936.---USIS.

ANGLO-AMERICAN AVIATION TALKS TO BEGIN ON JANUARY 15.

Washington, Jan. 9 -- In a joint statement yesterday the U.S. State Department and the British Government announced completion of arrangements for representatives of the United Kingdom and the United States to meet at Bermuda next Tuesday (January 15) to discuss the form of the bilateral agreement between the two nations with respect to commercial aviation matters.

As a result of the announcement, the United States Civil Aeronautics Board said it will defer all further consideration of the resolution of the International Air Transport Association providing for the establishment and conduct of traffic conferences. The Board said the Bermuda meeting will necessarily consider, among other phases of international air transportation, the important items of regulation of rates, limitation of frequencies and capacity, and like matters.

The traffic conferences of the International Air Transport Association, established pursuant to the resolution now before the Board, are directly concerned with these matters.

Airlines of all nations which engage in international air transportation are members of the International Air Transport Association. It has some 44 active members, including 11 American airlines.---USIS.

UNRRA RELIEF STAVES OFF STARVATION IN YUGOSLAVIA

Washington, Jan. 10 -- Michael Sergeichic, chief of the UNRRA mission in Yugoslavia, reported yesterday that the first task of the mission -- to deliver to the country enough food to keep off starvation and to provide them support for transportation of these supplies and the locally produced foods to communities where the need was greatest -- has been accomplished, and on time.

In a press conference here Sergeichic disclosed that up to January 1 UNRRA had delivered over 80,000 tons of relief supplies, mostly food, three-fourths of which came from the United States. He said that while food is now available in quantities sufficient to avoid starvation, other necessities such as shoes, clothing and locomotives have not yet been met.

He revealed that the UNRRA mission in Yugoslavia, which has 150 members representing 16 of the 47 participating nations, had observed the methods used in handling and distributing supplies and "are satisfied that this distribution is being carried out in a humane and democratic fashion."---USIS.

13 NATIONS CONSENT TO PARTICIPATE IN INTERNATIONAL TRADE CONFERENCE

Washington, Jan. 10 -- The U.S. State Department announced today that 13 nations have accepted the invitation to participate some time next spring in the negotiations to reduce trade barriers. The negotiations will take place in London.

A spokesman for the State Department pointed out that a preliminary meeting would be held prior to the general International Conference on Trade and Employment, which it is hoped may be convened in London next summer. It would have two purposes: first, to prepare projects for consideration by the general conference, and second, to negotiate agreements among participating countries for reduction of governmental barriers to trade. Such agreements, so far as the United States is concerned, would be negotiated under the Reciprocal Trade Agreements Act.---USIS.

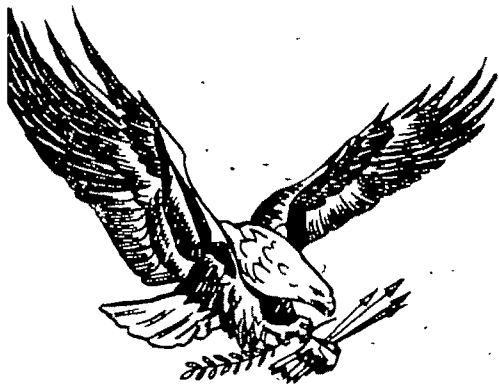
RIVER BASIN DEVELOPMENT PROJECTS IN WESTERN UNITED STATES TO BE RESUMED

Washington, Jan. 10 -- A 140-million-dollar program to develop the resources of western United States will be launched in 1946 by the Bureau of Reclamation, Secretary of Interior Harold L. Ickes announced yesterday. The program is aimed at meeting the peacetime needs of the nation for agricultural and industrial expansion, and will center on the development of the river resources of western United States to provide for irrigation, power production and flood control.

Construction work is scheduled on 30 projects in 17 western states, Ickes said. Jobs will be provided for thousands of men in building dams, irrigation systems, power plants, and other engineering works to be constructed by the Bureau in resuming its work on river basin development programs interrupted by the war.

Commissioner of Reclamation Michael W. Straus said that the projects to be built include several schemes authorized under the coordinated plan for a broadscale development of the Missouri river basin. Work will be resumed also on the million-acre Columbia basin project in south central Washington state, the central valley project in California, and many others on which construction was shut down or curtailed to conserve materials and manpower during the war. The program is the largest in the 43-year history of the Bureau.

Secretary Ickes termed the Bureau's program for river basin development "an investment in the future of America." "Our western rivers," he declared, "are among the nation's greatest assets. In many ways, they are potentially the most valuable natural resource that we have. Properly developed, they can be a tremendously productive force in maintaining America's national income at a high level and in opening up new frontiers of economic opportunity for thousands of people."---USIS.



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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, - that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of *Abrams v United States*.

January 14, 1946

U.S. NAVAL CHIEFS EXPLAIN POSTWAR POLICY FOR FLEET

Washington, Jan. 13 -- Plans for the disposition of the United States fleet in 1946 were made public today by the Navy Department. In a press conference held on Friday, but not made public until today, Secretary of the Navy Forrestal explained how the Department has adapted itself to meet all problems incidental to the complexity of a modern naval organization.

Participating in the conference with Forrestal were Admiral Chester W. Nimitz, Chief of Naval Operations, and his several deputies.

Asserting that the Navy's postwar policy is reflected in the selection of deputies to the Chief of Naval Operations, Forrestal said:

"All types of naval weapons are represented, with particular emphasis on aviation, submarines, amphibious operations and research. The Navy intends to take full advantage of the experience gained in operations of World War Two and to project that experience into planning, experimentation and peacetime training operations.

"The importance of the time element in modern warfare is recognized in the assignment of experienced aviators as vice chief of naval operations and deputies for operations and for air. The Navy is very air-conscious, and rightly so, but in so being it is neither neglecting nor overlooking the remaining elements of sea warfare.

"All types of naval weapons must continue to be developed, and our tactics must enable us to exploit them to their fullest. Our postwar Navy must integrate all components of naval establishment into a fighting force modern and superior in every sense. Assignment of officers experienced in aviation, submarine, amphibious operations and development of instruments of warfare is the first step toward that end.

Navy will Aid Demobilization

Admiral Nimitz outlined at the conference tentative plans for the employment of the Atlantic and Pacific fleets during the calendar year 1946. These plans provide for eventual support of the foreign policy of the United States, support of United States occupation forces in Europe and the western Pacific, completion of demobilization of the fleets and assistance in demobilization of the Army, and orderly training of postwar naval personnel.

Vice Admiral Frederick C. Sherman, deputy chief of naval operations, said that the postwar fleet will consist of 1,079 combatant ships. Of these, 319 will be reserve units and 687 will be inactive. Sherman said it is planned to rotate ships between fleets within each ocean. In the interests of training personnel, visits will be made to foreign ports, consistent with other requirements and the desires of the country concerned.

Fleet Disposition Detailed

Plans for fleet disposition in 1946 follow:

Main headquarters of the Commander-in-chief, Pacific Fleet, now Admiral Raymond A. Spruance and later to be Admiral John H. Towers, will be maintained at Pearl Harbor. The Seventh Fleet, under Admiral C.M. Cooke,

Junior, will operate in the western Pacific. The Fifth Fleet, under Vice Admiral Frederick C. Sherman, will base on home ports and will operate in the central and eastern Pacific. Both the Fifth and Seventh Fleets will include heavy ships and, specifically, aircraft carriers. The Third Fleet will be the Pacific reserve fleet, and will be charged with reserve training on the Pacific coast.

The Atlantic Fleet, with Admiral Jonas H. Ingram as commander-in-chief, will include Fourth, Eighth and Tenth Fleets. The Eighth Fleet, under Admiral Marc A. Mitscher, will comprise a strong force of aircraft carriers and supporting ships based on home ports and will normally operate in the north Atlantic and Caribbean. The Tenth Fleet, under Vice Admiral Bernhard H. Bieri, consisting of cruisers and destroyers and such other ships as may be assigned, will include the Caribbean and south Atlantic in its area of operation. The Fourth Fleet will constitute the Atlantic reserve fleet, and will conduct reserve training in the Atlantic. The Twelfth Fleet, commanded by Admiral Henry K. Hewitt, will consist of ships required in the south-east Atlantic and in the Mediterranean.--USIS.

U.S. DELEGATION TO AIR CONFERENCE NAMED

Washington, Jan. 13 -- The State Department has announced that the U.S. delegation to the Civil Aviation Conference which will take place in Bermuda beginning January 15 will be headed by Colonel George P. Baker, director of the Office of Transport and Communications Policy of the Department of State. The delegation includes members of the State Department and the Civil Aeronautics Board and is composed of:

Department of State: Colonel Baker, Stokeley W. Morgan, chief of the the Aviation Division, Garrison Norton, deputy director of the Office of Transport and Communication Policy, and John D. Hickerson, deputy director of the Office of European Affairs.

Civil Aeronautics Board: Welch Pogue, chairman of CAB; Harllee Branch, Oswald Ryan and Josh Lee, members of CAB; and John Sherman, liaison consultant.--E.F.

U.S.-CENTRAL EUROPE-MIDDLE EAST-INDIA AIR ROUTE PROJECTED

Washington, Jan. 13 -- A bilateral air transport agreement has been concluded with the Czechoslovak government providing for civilian services between the two countries on a basis of reciprocity, the State Department has announced.

The agreement became operative January 3, 1946, the date of its signature in Prague, and provides for the so-called fifth freedom, traffic privileges.

Under the agreement the United States government will grant, on a reciprocal basis, to a Czechoslovak airline to be designated by the Czechoslovak government the necessary operating permission for air services on the route Prague, Brussels, London, Foynes, Newfoundland and New York, in both directions.

On the same basis the Czechoslovak government will grant to an American airline designated by the United States government the necessary operating permission for air services on the route New York, Newfoundland, Foynes, London, Brussels, Prague, Vienna, Belgrade, Budapest, Bucharest, Istanbul, Ankara, Beirut, Damascus, Baghdad, Karachi and Calcutta, in both directions.

Operation permission includes the right of each country to take on in its own territory passengers, cargo and mail destined for other countries and the right to put down passengers, cargo and mail in other countries' territory.--USIS.

U.S. TO GROW MORE TOBACCO

Washington, Jan. 13 -- An increase of 10 per cent in the quota allotments of acreage for flue-cured tobacco over the previously announced 1946-47 national marketing quota has been announced by U.S. Secretary of Agriculture Clinton P. Anderson. He explained that the increase was proclaimed primarily to provide tobacco needed for export to foreign countries.

The increased acreage allotments would result in a total production of about 1,300 million pounds in 1946, as compared to the 1945 production of 1,175 million pounds.---USIS.

ATOM BOMBS WILL BE TESTED ON SHIPS THIS SUMMER

Washington, Jan. 13 -- Vice Admiral William H. P. Blandy, Deputy Chief of Naval Operations (Special Weapons) told a press conference today that the projected tests of atomic explosive effect on ships would take place during the summer of 1946.

Describing the preparations necessary for these experiments, Blandy said that the tests would be made upon naval units and formations afloat and below sea surface. He compared the operation in some respects to a large amphibious operation, since it is planned months in advance and involves Naval, Army air and Army ground forces. Civilian scientific specialists will also cooperate, he said. Praising the cooperation of all branches of the service involved, Admiral Blandy added that all angles of the test will have been carefully considered, and that developments will be judged from both national and international viewpoints.

Admiral Chester W. Nimitz, Chief of Naval Operations, stated at the same conference that if it seemed advisable, automatically guided missiles would be tested at the same time.--USIS.

EARLY RELAXATION OF SHIPPING CONTROL SEEN

Washington, Jan. 13 -- The nation's merchant ships will be turned back to private ownership and operation at the earliest practicable moment, the United States Maritime Commission announced today.

The Commission said its obligations to the United Maritime Authority which terminate within the next few months will remove one of the main reasons for the necessity of government controls over routings and sailings of the greater part of United States tonnage. Troop transports will be excepted until the large scale troop movements cease, the statement added.

It added that training of seamen will be continued by the government on a scale commensurate with the peacetime needs of the Merchant Marine.---USIS.

60 PER CENT RISE IN NEW CONSTRUCTION IN U.S. IS FORECAST

Washington, Jan. 12 -- New construction, both public and private, in the United States in 1946 will amount to 7,500 million dollars, an increase of 60 per cent over the 1945 total, the Department of Commerce recently forecast. The 1945 volume of new construction, 4,751 million dollars, was in itself a 20 per cent rise from the 1944 level, the Department's construction division pointed out. Highlights of the forecast are:

New, privately financed, construction is estimated at almost double the 1945 volume;

Privately financed residential construction (exclusive of farm dwellings) is estimated at three times the 1945 figure; privately financed industrial construction and other types of private construction are also expected to show a large increase;

Publicly financed construction in 1946, though forecast at only slightly higher than the 1945 volume, will differ markedly in its makeup, it was pointed out. Construction of public works is expected to increase substantially, with a corresponding decrease in military, naval and publicly financed industrial work.

Although construction has increased substantially since V-J Day, the rate has been restricted by manpower and material shortages, the construction division said. These shortages are expected to continue through the early part of 1946.

---USIS.

GENERAL OFFICER STRENGTH OF THE U.S. ARMY WILL BE REDUCED 50 PER CENT

Washington, Jan. 13 -- The general officer strength of the United States Army is being reduced more than 50 per cent from 1,550 to 761, in conformity with the demobilization of the Army as a whole, the War Department announced yesterday. Of the general officers remaining, approximately 500 are scheduled to remain after July 1, 1946.---USIS.

LOAN TO BRITAIN WILL PROMOTE WORLD TRADE, VINSON SAYS

Washington, Jan. 13 -- Secretary of the Treasury Fred M. Vinson and Acting Secretary of State Dean Acheson, in a nationwide broadcast last night, described the recent British-American financial and trade agreements as a means of expanding world trade and the avoidance of clashing economic blocs.

The secretaries spoke in the forty-eighth of a series of broadcasts on the NBC "University of the Air" designed to explain American foreign policy.

During the course of the discussion, Acheson said: "Now that Germany and Japan are pretty much out of the picture, something like three-quarters of the world's trade will be carried on in pounds or dollars. So it is not only our trade with Britain or her trade with us that is involved here."

Vinson added: "If both the dollar and pound are strong, it will mean that trade everywhere will be free of excessive restrictions. The level of trade for virtually the whole world depends on elimination of restrictions on the dollar and pound. This is the reason why the proposed loan to Britain is important."

Acheson described the proposed United States line of credit to Britain of 3,750 million dollars as "a mutual arrangement for mutual benefits arrived at out of mutual necessity."

When asked whether the same considerations apply to such matters as communications and civil aviation, Acheson replied: "Yes, I think they do. We have already worked out a very good agreement with the British on communications. As for civil aviation, we expect to settle our differences in that field around the conference table, too."

The moderator asked Vinson whether the proposed loan to Britain would set a precedent for similar loans to other countries. Vinson replied: "No other nation plays the part in world trade that Britain plays. It is inconceivable that world trade could be restored and expanded unless the British are willing and able to join in the effort."

Vinson added that the United States government is "going to be just as careful in the future as it has been in the past in considering foreign loan applications."--USIS.

WINANT APPOINTED U.S. REPRESENTATIVE ON UNO'S ECONOMIC AND SOCIAL COUNCIL

Washington, Jan. 12 -- President Truman yesterday designated the U.S. ambassador to London, John G. Winant, as the United States representative at the organization meetings of the UNO Economic and Social Council. These meetings will be held during or immediately after the current meetings of the United Nations Assembly. The President's letter to Winant follows:

"Prompt development and execution of the plans for effective organization of the Economic and Social Council is vital to the successful accomplishment of the many important tasks with which it will have to deal. I am confident that your contribution to the work of organizing the Council will be fully in accordance with your past achievements and I wish you all possible success in this undertaking."

Winant will continue to serve as ambassador to Great Britain.---USIS.

UNRRA AUTHORIZES FOUR MILLION DOLLARS EMERGENCY RELIEF FOR HUNGARY

Washington, Jan. 13 -- A limited program of UNRRA aid to Hungary has been authorized by the central committee of UNRRA, it was announced last night. The authorization followed receipt of a request from the Hungarian Prime Minister, Zoltan Tildy, and a recommendation by the Allied Control Commission in Hungary stating the urgent need for an emergency relief program to assist in checking famine and disease this winter.

The cost of the UNRRA program is not to exceed four million dollars. The assistance authorized comprises emergency relief supplies for those persons in greatest need, such as children and expectant and nursing mothers, and essential supplies for the medical and sanitation program.

UNRRA, the Allied Control Commission and the national Hungarian government will cooperate in the limited emergency program.---USIS.

CHINESE POLITICAL DEVELOPMENTS ARE ENCOURAGING

Washington, Jan. 13 -- Editorials in American newspapers, while cautioning that obstacles still remain, called the recent developments in China encouraging as the Chungking conference to plan a constitutional government meets.

The New York Times said in part: "At a moment when the United Nations Assembly is meeting in London to build the foundations for a world without war, another corner-stone of peace is being laid halfway around the globe in China. This auspicious development is the simultaneous proclamation of a truce in the Chinese civil war and of a bill of rights which legalizes all parties. If this double proclamation is carried out by all sides and in good faith -- and there is a better chance for that now than ever in the past -- China will have started out on the road which would lead her to the forefront among the democracies.

"At present the proclamation leaves in doubt two points on which all previous Chinese peace conferences were wrecked. First is the fate of the Communist armies, which the truce recognizes as belligerents, but which will have to go before unity and peace can be assured. Second is the fate of the bill of rights areas dominated by the Communists.

"But these problems of the future cannot dim the achievements already made. The will of the Chinese people, which in the last analysis is the real victor in the situation, should be able to compel a solution of the remaining problems."

The New York Herald Tribune stated in part: "The political consultation conference called to chart out a constitutional government has started its session with both major and minor parties represented by able men and with liberals apparently holding the balance of power.

"Both the truce and Generalissimo Chiang's decision to give up restrictive measures of the one-party regime in Chungking will aid the work of the delegates to the political consultation conference. The obstacles to success, of course, are many. One of the worst of them is the distrust that prevails in all negotiations between the government and the Reds. But the delegates undoubtedly are conscious . . .

are conscious that they have a great opportunity. If they can agree upon a sound approach to the creation of a modern China they will accomplish more than many a famous emperor who ruled Peiping, and their names will be honored for generation after generation. It is to be hoped that they rise to the occasion and earn the position in their nation's history which is within their reach."

The Baltimore Sun said: "With General Marshall's assistance, the basis of a truce in the fighting in China has been found. It is important to understand that this is a truce and nothing more. Nevertheless, it creates a favorable atmosphere for the new negotiations now about to begin in Chungking.

"These negotiations have a broader basis including not only Communists and nationalists but all other Chinese factions. And in his opening address Generalissimo Chiang Kai-shek started the ball rolling by announcing a series of decisions by the nationalist government looking toward a more liberal program.

"These decisions, coupled with the truce, represent an excellent start. Yet we must remember that China's troubles are long-standing; and no matter how ardently all factions wish unity, each faction still wants unity on its own basis. Two most difficult questions remain -- those having to do with the future of the Communist army and future of Communist control over certain geographical areas. Not until these two questions have been settled can there be any real hope for unity."

Truce Will Aid Rehabilitation

The Washington Post said in part:

"The relief that the Chinese must feel over the military truce in China will be shared by the United States. All America will hope that the hatchet may now be well buried by leaders bent only upon reconstruction of their war-torn country. For no country, except Russia, is in such grievous need of rehabilitation.

"The task will be long and arduous. But the recuperative power of a nation with 4,000 years of recorded history, the vitality of a people with a will to survive that owes as much to an impermeable civilization as to a biological

persistence -- these factors are ready at hand for the Chinese leaders to use.

"None would be so bold as to say that China is at last freed from conflict. But, if the present promise is fulfilled, there can be no doubt that the Chinese people will show an example of self-help which will contribute a great deal to stabilization of the Far East."

The Washington Evening Star said in part: "To the Chinese people this must seem to be a day of great promise, and that is what it is. For the truce which has at last brought a halt to their civil strife means that China now will have far better chance, in an atmosphere free of fratricidal violence, to achieve that future of unity, peace, economic progress and democratic self-government which Generalissimo Chiang Kai-shek holds out before it. The truce now in effect represents something better than an expedient and temporary breathing spell, and the sorely tried people of the country have more reason to rejoice and be hopeful than they have had in many a year."---USIS.

PREVENTIVE MEASURES HELP KEEP DISEASE RATE LOW IN THE PACIFIC

Washington, Jan. 13 -- American soldiers in the Pacific areas are an exceptionally healthy body of troops, despite the fact that many of them are located in the most disease-ridden areas of the world, Brig. General Raymond W. Bliss, Deputy Surgeon General of the U.S. Army, said last night in a report on his recent tour of the Pacific theaters.

The overall hospitalization rate, which indicates the number of hospital beds occupied in relation to troop strength, was under two per cent, while in many areas it was as low as one per cent, Bliss said.

Bliss pointed out that the low disease rate among American forces in those areas is the result of a program of preventive medicine and an all-out attack against disease in which the cooperation of the best civilian and military tropical medicine experts in the United States was enlisted.---USIS.

U.S. LABOR SITUATION IN REVIEW

Washington, Jan. 13 -- Following is a review of the labor situation affecting the major industries, as of today:

Steel -- The strike of 700,000 workers in the steel and related industries has been postponed until Sunday midnight, January 20, at the request of President Truman. Benjamin F. Fairless, head of United States Steel Corporation, and CIO president Philip Murray have agreed to meet at the White House again on Wednesday for further bargaining talks.

Meanwhile, Fairless will poll other units of the industry on the union's offer to reduce its wage-increase demand from 25 to 20 cents an hour. The Corporation's counter-offer of 15 cents an hour would raise the average daily rate in the industry to ten dollars, or 50 dollars weekly on a 40-hour schedule. The union's compromise demand means a daily rate of 10 dollars and 40 cents or 52 dollars weekly for an average worker. This would be equivalent to the weekly rate proposed for General Motors workers under the increase recommended by the fact-finding board.

President Truman yesterday expressed confidence that the steel wage dispute will be amicably settled.

Auto -- Representatives of United Automobile Workers' local unions are meeting in Detroit today to take action on the report of the fact-finding board in the General Motors dispute, and to consider the recommendation of UAW's executive board. Washington observers see in the rejection of the board's findings by General Motors Corporation an added motive for the union to accept the findings, in view of the generally favorable public reaction to the board's report. Moreover, the nineteen and one-half cents an hour increase recommended by the board is in line with the wage settlements already approved by CIO groups in other industrial sectors.

Oil -- The recommendation by the oil fact-finding panel of an 18 per cent increase in pay rates for 25,000 CIO workers would raise the present hourly

scale of a dollar and 20 cents to a dollar and 41 cents. Some companies have already made wage settlements at approximately this level, and the recommendation of the board is expected to be generally followed by the oil industry.

Electrical Industry -- The leaders of the United Electrical, Radio and Machine Workers Union (CIO) declared Saturday that the walk-out of 200,000 workers from General Electric, Westinghouse and General Motors plants will take place on Tuesday as scheduled, unless the Union's wage demands are met. Federal conciliators are continuing their efforts to bring about a settlement.

Meat -- Federal officials are reported to be on their way to Chicago today in another attempt to avert a shutdown of the nation's meat packing plants and the walkout of 335,000 CIO and AFL packing house workers, scheduled for Wednesday. It is hoped, through relaxation of price ceiling, to bridge the gap between the workers' demand for an immediate increase of a 17 and one-half cents per hour and the meat packers counter-offer of a seven and one-half cents hourly raise. The union originally demanded a wage increase of 25 cents an hour, but is willing to accept seventeen and one-half cents now and leave the balance to future arbitration.

Communications -- Conferences are continuing in efforts to terminate the snarl in the nation's telephone service, which has already seriously reduced long-distance telephone service in 43 states. The 8,000 striking equipment and maintenance workers employed by Western Electric have been able to make their walkout doubly effective by throwing picket lines about telephone exchanges throughout the country. Large numbers of telephone operators have refused to cross these picket lines. Moreover, the parent National Federation of Telephone Workers, with which the strikers are affiliated, has threatened to call out its 250,000 members in a sympathy demonstration if the wage demands of its affiliated unions are not met.--USIS,

STRIKES COST THE U.S. 35 MILLION MAN-WORK-DAYS IN 1945

Washington, Jan. 13 -- While 35 million man-work-days were lost during 1945 due to labor-management disputes, the total represented only 0.42 per cent of the available working time of American industry, preliminary estimates by the Bureau of Labor Statistics have revealed. The number of stoppages during 1945 totalled about 4,600, involving 3,325,000 workers.

Before V-J Day, labor's "no strike" pledge and the recognized urgency of war production brought quick terminations to stoppages. The average of stoppages after V-J Day was over three times the previous average. Whereas many of the war stoppages resulted from minor disputes and misunderstandings, many of those after V-J Day involved basic economic factors.

Loss of overtime work, shorter work weeks and down-grading, resulting in substantial reductions in the take-home pay of workers whose living standards were already affected by wartime shortages and high prices, have all contributed to increase the intensity and duration of work stoppages since V-J Day.---USIS.

COL. OLMSTEAD APPOINTED UNRRA CHIEF IN CHINA

Washington, Jan. 13 -- Lieut. Colonel Ralph W. Olmstead (retired) left here today for Shanghai where he will serve as director of UNRRA operations in China, UNRRA headquarters has announced.

Olmstead born in Boise, Idaho, worked in the Department of Agriculture from 1939 to 1942 when he went on active duty assigned to the War Food Administration in charge of lend-lease food supplies. After traveling in England, Russia and Franco, Colonel Olmstead was assigned for a time to the Control Council for Germany and was a member of the Soviet Protocol Committee. Recently Olmstead returned from a six-week tour of China with Roy Hendrickson, UNRRA deputy director general.---USIS.

SURVEY SEES CONTINUED HIGH FOOD PRODUCTION IN U.S.

Washington, Jan. 12 -- The volume of American food production has increased nearly as much in the five-year period from 1940 to 1945 as in the preceding 30-year period, a Department of Agriculture survey stated.

Forecasting continuing high levels of production in the coming months, the survey stated that even with substantial exports of food civilian supplies will be at near-record levels. This results from great reduction in military procurement. The total food supply continues much larger than in prewar years.

The wartime increase in food production was accomplished in face of a decrease in the farm labor force and was due to the intensified effort of farmers, aided by favorable weather conditions over most of the country.

Outlining changes in the food picture brought about by the war's end, the survey stated that military procurement increased from seven per cent of the total food supply in 1942 to almost 20 per cent in 1945.

The combined civilian, military and export demands exceeded total supplies from 1942 on, although increased production helped toward meeting civilian demand. Supplies were shorter relative to demand during the period extending from the latter part of 1944 until August 1945. This coincided with the final war effort in Europe, the provision of supplies for liberated areas and extension of food lifelines in the Pacific. By 1945 the gap between supplies and demand appears to have been as high as 13 to 17 per cent, the report said.

Much of the demand for food for export was met under lend-lease, the survey stated. Since the end of lend-lease, export demand in some foods has greatly decreased. However, loans to European countries and grants for relief may restore a considerable part of the export demand during 1946.---USIS.

U.S. ARMY SELLS HALF A MILLION POUNDS OF WHEAT FLOUR TO UNRRA

Washington, Jan. 12 -- Half a million pounds of number one whole wheat flour declared surplus by the United States Army in Puerto Rico has been sold to UNRRA for distribution in Europe, Secretary of Interior Harold L. Ickes announced here last night.---USIS.

HOME NEEDS CURTAIL U.S. LUMBER EXPORTS

Washington, Jan. 12 -- The Civilian Production Administration has announced that, in agreement with the Department of Commerce, it has allocated 225 million board feet of lumber for export during the first quarter of 1946. The figure represents a drop of nearly 35 million board feet from the average quarterly allocation during 1945 and is less than one-fourth of the total requested by foreign countries.

The export program on lumber is in line with the President's policy of aiding war-devastated countries while keeping sufficient lumber to meet housing and other essential needs in the United States, officials pointed out.

Lumber imports currently total about 250 million board feet per quarter. A report released recently by John W. Snyder, Director of War Mobilization and Reconversion, showed that during the war imports of lumber were consistently twice as large as lumber exports. In 1946 United States lumber production is expected to be about 30,000 million board feet.---USIS.

INTERNAL ALTERATIONS TO THE WHITE HOUSE WILL PROVIDE MORE FACILITIES

Washington, Jan. 12 --- The White House yesterday announced plans for reconstruction work on the building and grounds, including addition to the executive offices, completion of the recently constructed east wing of the House, interior alterations to the mansion and landscaping and improvements to the grounds.

The new addition to the executive offices will include more offices and a new auditorium seating 375 persons, providing facilities for ceremonies, press conferences, radio broadcasts, photography, television and motion pictures.

After this addition is finished the new east wing, the cornerstone of which was laid by the late President Roosevelt in November 1942 and which housed emergency offices during the war, will be completed. The wing will house the White House museum as originally planned by the late President.

White House architect Lorenzo S. Winslow said all the alterations will be within the building, with no exterior changes to mar the historic appearance.

---USIS.



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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, - that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of *Abrams v United States*.

January 16, 1946

TRUMAN SAYS UNO SESSION "GOING REMARKABLY WELL"

Washington, Jan. 15 -- President Truman told a press conference today that he thought the United Nations session in London was going remarkably well, and he thought it would accomplish its purpose.

Answering a number of questions on trusteeship, he said the Pacific island, which the United States captured and which it does not need will go under UNO trusteeship; and others that are needed will go under the United States' own individual trusteeship. For its own individual trusteeship, the President said, the United States would ask for UNO authority. He said he could not tell yet into which category individual islands would fall.

Asked if other Pacific islands would go under individual trusteeships of other nations, Truman said that was to be worked out when the Allies came to the question. Asked about Pacific islands not mandated, for example those below the equator, the President said the United States was interested in those

only in conjunction with her allies, and what will happen to them has not yet been decided.

The President said his State of the Union message and the budget message would be combined into one document and would go to Congress next Monday.

Explaining this, he said the State of the Union matter was wrapped up in the budget, and he figured that one message would be better than two. Truman said the message on the British loan would go to Congress after this one.

As to demobilization, the President said General Eisenhower covered that subject very thoroughly in his report this morning but that he, the President, had not yet gone through the report.

A reporter pointed out that Eisenhower said the United States must recruit 50,000 men monthly or get them through selective service. Truman said selective service for 50,000 a month had been asked for but at present only 37,000 men are coming in monthly.

The President said he knew nothing more about the labor situation except what he saw in the papers. He added that he approved of General Motors fact-finding board's report. Asked if he had planned to provide more power for the fact-finding boards, he replied that he had not done so ^{and} that the boards answered their purpose very well. He said he thought the General Motors strike would have been settled if the board had been functioning earlier.

The President said he had no plans to take over meat packing plants.--USIS.

NEW OFFICE TO ASSIST SMALL BUSINESS CREATED

Washington, Jan. 15 -- An order providing for a broad program to assist small business was signed today by Secretary of Commerce Henry A. Wallace. A new unit is to be set up which will offer guidance on problems of sound business techniques, general administration, production, buying procedures, inventory practices, methods of selling, market sources and economic opportunities. Guidance will also be offered on legal and tax problems.

The order anticipates transfer of the functions of the Smaller War Plants Corporation to the new office. Under a recent executive order of the President, the Smaller War Plants Corporation was abolished and its functions transferred to the Commerce Department and the Reconstruction Finance Corporation.--USIS

IMPORTANT MEASURES AWAIT CONGRESSIONAL ACTION

Washington, Jan. 15 -- More than a score of important measures, some of them legislative "musts" await action by Congress, which reconvened Monday. However, there will be no floor vote on any bill -- and little, if any, action -- until President Truman's two messages are delivered to Congress. The first is the customary "State of the Union" message and the second will be the budget message. Both are being combined this year into one message, and it will go before Congress next Monday.

Control of atomic energy, the agreements on UNO, the British loan, Philippine rehabilitation, the Palestine problem, and legislation implementing the State Department's new Office of International Information and Cultural Affairs take precedence in the foreign field.

On the home front, demobilization, the merger of the armed forces, price control extension, housing, full employment, and the fact-finding labor legislation call for consideration.

There is also the fair employment practices committee measure, aimed at preventing discrimination in employment, which has been long bottled up in the House rules committee. Republican leaders say that they will circulate a discharge petition in the House. If signed by a simple majority of 218 members, the petition automatically would "discharge" the rules committee and bring the bill to the floor for immediate consideration.

The Senate education and labor committee began hearings Monday on the bill providing for appointment of fact-finding boards to investigate labor disputes. This would make law of the President's executive order. This bill will be given a month's hearings, with more than 100 leaders of capital, labor and the public appearing.

The committee will break off these hearings, however, for one week beginning January 18 in order to take the bill embodying the President's housing

recommendations. Then . . .

recommendations. Then when this and the fact-finding bills are out of committee, the 65 cent-an-hour minimum wage bill will be given committee consideration.

A subcommittee of the Senate military affairs committee is now drafting a bill to merge the armed forces. This bill provides for a Department of Common Defense, headed by a Secretary of Common Defense.

General Eisenhower has been requested to appear before another Senate military affairs subcommittee and explain the demobilization situation. No remedial legislation is planned. It is thought that Congressional attention to the problem will produce the desired action by the Army authorities.

Supporters of Chester Bowles, head of the Office of Price Administration, will fight to extend the price control program into 1947.

Early action is expected on the deficiency appropriation bill. This was vetoed by the President before Christmas because it restored United States employment service functions to the states.

The House insular affairs committee will give first consideration to a bill relating to free trade with the Philippines. This measure provides for eight years of free trade, followed by 25 years of graduated taxation.

Scheduled for consideration by the same committee after it clears that bill is the Philippine rehabilitation bill sponsored by Senator Millard C. Tydings. This provides 500 million dollars in war damages for the Philippines and gives educational benefits to its citizens.

The House banking and currency committee will begin consideration of the British loan bill.---USIS.

BYRON PRICE AWARDED MEDAL OF MERIT

Washington, Jan. 15 -- President Truman today awarded the Medal of Merit to Byron Price, wartime director of the Office of Censorship, in appreciation of his work and cited his contribution in promoting "one of the freedoms for which we were fighting" -- freedom of the press. The Censorship Office was closed shortly after the war ended.---USIS.

U.S. FACES MANY PRESSING PROBLEMS

New York, Jan. 15 -- Convening of the second session of the Seventy-Ninth Congress of the United States Monday comes at a time when all sides are calling for "action" and the nation faces many pressing problems calling for sound legislation, editorials in leading United States newspapers pointed out.

Today's New York Times said in part: "In these days everyone, from the President himself to the average man in the street, has a list of measures on which he wants Congress to go to work at once. But since Congress, with its antiquated committee system, is poorly organized for the purpose of drafting a comprehensive legislative program, the immediate question will be to decide, on the basis of priority of need, which things come first.

"Judged by this test, part of the President's own program, we believe, does not rate first priority. For example, one measure to which he has usually given precedence -- the 'full employment' bill -- has as its purpose the prevention of future 'deflation' after the present powerful inflationary forces have run their course. This is a proper subject for Congressional consideration, but it is certainly a less immediate problem than others which now clamor instantly for attention. Among those are the alarming demonstrations of unrest in our armed forces overseas, the strike situation and the red-hot problem of inflation itself. In at least two of these three situations there is an opportunity for Congress to take prompt and constructive action.

"The morale of our armed forces is a case in point. The fundamental difficulty here is that Congress has failed to give the War and Navy Departments a blueprint for future action by failing to take a position either in the matter on unification of the armed forces or a proposal for a postwar system of universal military training. From this central difficulty all other phases of the problem stem.

"The labor situation is a more complex problem, for the reason that the present difficulties are in large measure the result of a series of mistakes

not easily to be corrected by any simple legislative act.

"The best we can hope is that Congress will be prompted by the spectacle of the present paralysis of industry to review its own earlier legislative acts for the purpose of considering whether it has really established the best possible conditions for successful and even-handed collective bargaining.

"Finally, there is the problem of inflation. Congress has no more important task before it than the necessity of bringing the national budget into closer balance, and thereby shutting off the tremendous flow of inflationary credit which is now promising to blow the lid off prices."

Monday's Christian Science Monitor said in part: "Members of Congress come back to their seats on Capitol Hill confronted by the historic hard choice of an election year. At least it ought to be a hard choice, and for more of them than the public often credits it will be. It lies between what they ought to do for the country and what they ought to do to get re-elected. In all fairness the awkward fact that these two 'oughts' do not easily coincide cannot entirely be blamed on Congress. The clear and unifying imperatives of the war suddenly dropped away. They have been replaced by urgent needs of reconversion to peace and the people feel these needs. But the objectives are more numerous and more complicated. The roads to them are many.

"Mr. Truman has given the leadership. It is not the kind to which this country has grown accustomed. But he has promptly -- and on more than one occasion -- set before Congress and the people for most part a reasonable program for action. Congress has had opportunity to enact what it approves and replace what it does not approve with its own ideas. In a large measure, it has done neither. Leadership in a national sense has been wanting in Congress more than in the President."--USIS.

GEN. REEDER REPLACES SCHLEITER AS FLC COMMISSIONER IN INDIA

New Delhi, Jan. 14 -- The United States Foreign Liquidation Commission today announced the appointment of Brig. Gen. William O. Reeder as acting field commissioner for the India-Burma Theater.

General Reeder has been head of G-4 for the United States forces in this theater, in charge of supply, and therefore is thoroughly familiar with the problems of his new position.

Mr. Walter B. Schleiter, retiring Field Commissioner, is leaving office at his own request to return to private business as vice-president and director of Muller and Phipps, a large export agency in the United States. Before entering the service of his government, Mr. Schleiter had been prominent in India as a businessman for 20 years.

His intimate knowledge of Indian conditions and his wide acquaintance in both business and official circles enabled him to undertake the task of disposing of U.S. surplus property in India, one of the most intricate and difficult enterprises which any foreign government had to carry out on Indian soil. Within three months he had devised and perfected the plan and created the organization to handle the disposal of over 600,000 long tons of supplies in India alone, numbering half a million different articles and valued at approximately 500 million dollars.

In September 1945, he consummated for the United States Government the basic agreement with the Government of India, which set up the original disposal plan. It was during Mr. Schleiter's term of office as Field Commissioner, that the recent modification of the original agreement between the two nations was concluded, by which the Government of India undertook to purchase all remaining stocks of U.S. surplus supplies in India.---USIS.

PAN AMERICAN AIRWAYS MAKES NEW YORK-CALCUTTA SURVEY FLIGHT

New Delhi, Jan. 15 -- A group of 26 technicians representing Pan American World Airways has completed a survey trip from New York City to Calcutta and now is returning to its home base.

It marked the first trip by a commercial airplane through Europe to India, a 20,000 mile round-trip venture.

Pan American, a pioneer American airline which initiated a trans-Atlantic passenger service in 1939, will institute a commercial service along its route from London to Asia as soon as landing rights are available. The United States Civil Aeronautics Board -- which regulates American airline routes -- recently granted a certificate to Pan American for the route.

The 34-ton DC-4 land Clipper which brought the survey group to India, touched 19 airports in 14 countries. Leaving London, the group halted at Paris, Marseilles, Brussels, Frankfurt, Berlin, Prague, Vienna, Belgrade, Budapest, Rome, Athens, Istanbul, Ankara, Damascus, Baghdad, Teheran, Karachi and Calcutta, terminating the eastward flight at New Delhi.

Commanding the flight was Capt. George A. Doole, Jr., a veteran of 11 years' service with Pan American. The ship also carried a crew of nine other specialists -- two pilots, navigator, flight engineer, flight mechanic, two radio officers and two stewards. The remaining personnel were Pan American employees in ground operations, traffic, supply and public relations. In regular passenger operations, the plane will carry a seven-man crew, including a steward and stewardess.

The survey flight was for the purpose of preparing facilities for the early start of regular passenger service as soon as the United States Government negotiates commercial landing right agreements with the various countries concerned. This is a function of the U.S. State Department.

Captain Doole said fares cannot be estimated at this time, since they depend upon the number of flights and number of passengers and freight that

would be . . .

would be carried. But, he said, Pan American will follow its policy of the lowest practicable fares in order to develop traffic volume and provide air travel for the average man.

The survey flight, just completed, will be followed shortly by a so-called "route proving flight" on which U.S. government officials will be carried to determine that the facilities are adequate for safe operation with passengers.

The DC-4, which carries 38 passengers, and possibly the Constellation, a 50-passenger plane, will be used on the route for about a year, at which time larger and faster Clipper planes are expected to become available. They would include the 80-passenger Boeing Stratocruiser and the 400-mile an hour Republic Rainbow, a 40-passenger ship.---USIS.

"ATOMIC ENERGY CONTROL IS FIRST PROBLEM FOR UNO"

San Francisco, Jan. 15 -- The San Francisco Chronicle editorially today endorsed Secretary Byrnes' call to the UNO Assembly yesterday for the prompt establishment of an atomic energy control commission. The editorial also agreed with Byrnes that UNO should not be overwhelmed with petty issues arising between countries. The Chronicle said in part:

It would be a great mistake, perhaps a fatal one, to assume that UNO must concern itself with all petty issues that arise between countries. That would be to dissipate on small matters the force and influence it needs to handle large ones when they appear.

The first questions for the new world body, and exclusively the first, are as Byrnes urged, atomic energy control and the provision of the force the Security Council needs to insure maintenance of peace. The latter is a matter of essential organization; the first is the transcendent problem now facing the world.---USIS.

Text of Secretary Byrnes' speech appears
as a special in this issue of the Newsfile.

VICTORY OVER AXIS POWERS HASTENED BY POOLING U.S.-CANADIAN RESOURCES

Washington, Jan. 15 -- The success of the Joint United States-Canada War Production Committee in accelerating war production programs through cooperative measures was reviewed in the final report of the Committee's work prepared by William L. Batt, chairman of the United States section, and made public by the two governments.

The Joint War Production Committee was one of the six Canada-United States joint committees set up to answer the insistent need for planned, coordinated policies of the two countries. Through decisions of the committee, production facilities were pooled, transportation barriers were cleared, and technical information, industrial data and research findings were freely interchanged.

The success of the two countries' mutual work on radar was among the highlights of the Committee's record of achievement. Dozens of examples could be cited from other programs, the report states, like the great contribution made by United States engineers in developing Canada's part in the North American synthetic rubber program, or the assistance which Canada rendered the U.S. Navy in supplying manufacturing data for production of twin-screw frigates. An important part of the exchange of information process was that concerned with conservation and standardization measures. Pooling of Canadian and United States facilities made for quick elimination of production bottlenecks.

Throughout the war Canada depended on the United States for vital war materials like ball bearings, aircraft engines and high-grade steel of special sizes. Canada on the other hand was able to assist the United States in bringing its programs into balance when their rapid progress was delayed for lack of particular components. Shell bodies, fuses and tracers sent from Canada at the appropriate time assured the continuance of United States manufacture of 40-mm. shells and other varieties of ammunition without slackening the pace. When certain phases of the huge Liberty ship program in the United States got

ahead of ...

ahead of schedule, ship engines were sent down from Canada to bring production schedules into line.

With the unconditional surrender of Germany and Japan the Committee's work was concluded. In announcing the dissolution of the Committee, President Truman and Prime Minister Mackenzie King made the following joint statement:

"The Joint War Production Committee of Canada and the United States gives ample proof of the immense power which can be generated through the combined efforts of friendly, democratic countries. Through joint action our respective countries hastened the defeat of our enemies in war. Through continued joint action we shall continue to generate the power to help build a world of peace."

--USIS

CEILING PRICES SET FOR U.S. 1946 COTTON CROP

Washington, Jan. 15 -- Advance notice of the proposed ceiling prices on the 1946 cotton crop was given yesterday by the Office of Price Administration, with the approval of the Department of Agriculture.

OPA explained that the purpose of the announcement is to put growers on notice of the maximum price they can expect to get for their crop under OPA ceilings. If the price of cotton becomes stabilized before the 1946 harvesting season, however, because of improvement in supply or other reasons, it may not be actually necessary to put ceilings into effect. Yesterday's action puts OPA in a position legally to impose ceilings if necessary.

Other major agricultural commodities have been operating under price ceilings during the past few years, Chester Bowles, head of OPA, said. These ceilings were established when rising prices of individual farm products threatened the stabilization program.

Bowles said the "rise in cotton prices now threatens the whole stabilization program in the cotton textile field," adding "Textile and clothing are basic elements in cost of living and OPA intends to do everything in its power to avoid the necessity of raising the prices of these important commodities."---USIS.

HOW GREEK ELECTIONS WILL BE OBSERVED

Washington, Jan. 15 -- President Truman has appointed the following persons as members of the United States delegation which will participate with representatives of Great Britain and France in observing the Greek elections.

Major General Harry J. Malony, United States Army, who accompanied ambassador Henry F. Grady on his recent preliminary trip to London and Athens; Walter Hampton Mallory, executive director of the American Council on Foreign Relations; Joseph C. Green, former Princeton University professor and now special assistant to the State Department; James G. Rogers, former Assistant Secretary of State; William Wesley Waymack, editor of Des Moines Register and Tribune; and Herman B. Wells, president of the University of Indiana.

The mission is being sent to Greece in accordance with the undertaking assumed by the United States government at the Crimea Conference to assist the peoples of liberated European countries in solving their political problems by democratic means and in creating democratic institutions of their own choice.

The delegation will be headed by Dr. Henry F. Grady who was appointed by the President on October 25 as his personal representative with the rank of ambassador. The delegates will have the rank of minister.

Members of the interpreters' section of the United States mission are now en route to Greece to join with Allied colleagues in selecting Greek interpreters for the operation. Another group from the civilian and military staffs attached to the mission is now in London consulting with British and French representatives and elaborating plans for the combined observation operation. The Greek government, which requested Allied observation of the elections, has fixed March 31, 1946, for the elections. The mission will be assisted by a civilian secretariat and advisory staff of about 80 persons and by a military staff numbering about 500 persons.

The mission personnel will observe the election process only and will not interfere in . . .

interfere in any way. The military personnel will in no sense be in Greece for military purposes.

The participating governments have agreed to organize the three national groups into an Allied mission and observation of the elections will be conducted as a combined Allied operation. The United States and British governments will each furnish 100 and the French about 40 mobile observation teams, each consisting of a military officer, an enlisted man and a Greek interpreter equipped with a jeep and trailer.

During a period of three weeks prior to the election day these teams will inspect and report on the status of electoral registers and on provisions made for the elections. On election day the teams will be sent to a sufficient number of representative polling places throughout Greece to give a valid sample of the effectiveness and integrity of the polling.

The personnel of the three Allied contingents will assemble in the Naples area of Italy in mid-February for a period of indoctrination and training before proceeding to Greece to begin observation early in March.---USIS.

NEW PRESSURE-WELDING PROCESSES BEING DEVELOPED

Washington, Jan. 15 -- The Office of Civilian Production Administration yesterday released a report by its Office of Production Research and Development on tests recently completed on new pressure-welding processes of alloy steels which may result in improvement in designs of airplanes and other machines.

The tests, the report said, sought improvements in welding processes through the use of inert gases such as helium, or a reducing gas such as hydrogen during heating cycles. The purpose of using these gases was to drive out oxygen and oxides, which are one of the principal causes of inconsistent weld strength. Through the use of these protective gases, the strength of welds was appreciably increased although 100 per cent efficiency was not always attained. When greater efficiency is attained in alloy-steel welding, through using the above-mentioned gases, the report added, it will enable designers to develop lighter airplane, automotive and other types of metal parts.---USIS.

25-MILLION-DOLLAR U.S. LOAN FOR GREECE

Washington, Jan. 15 -- The U.S. Export-Import Bank has approved a 25-million-dollar loan to the Greek government, the State Department has announced. The American ambassador to Greece presented the Greek foreign office the following note:

The United States government acknowledges the receipt of a letter addressed by Mr. Tsouderos to the ambassador of the United States in Athens, submitting suggestions for economic aid to Greece.

The United States government is mindful of the important contributions made by Greece to the successful conclusion of the war and sympathetically aware of the tremendous devastation visited on Greece during the period of hostilities. In face of overwhelming odds, Greece exhibited courage in resistance which served as an example to the liberators, who eventually were able to release Europe from enemy domination. Relief provided to Greece through military liaison and the current operations of UNRRA is an effort on the part of the United States, along with other Allied countries, to demonstrate their grateful recognition of the tremendous sacrifices Greece has made.

Further assistance toward reconstruction will be afforded through a 25-million-dollar Export-Import Bank loan. By means of this loan Greece will be able to acquire certain essential supplies and equipment.

There is a danger, which should not be ignored, that if energetic steps are not taken to improve the present internal economic situation, assistance from the United States will not produce the lasting benefits that are hoped for. An immediate improvement in the economic situation in Greece should create an atmosphere favorable to the successful holding of national elections. Elections accurately reflecting the wishes of the Greek people should bring about an improved political situation, which should contribute substantially to long-run economic recovery and to future stability.

The severe ...

The severe difficulties which Greece has encountered since liberation can be traced in large part to the self-sacrificing heroism with which the Greek people resisted the common foe.

The resulting emergency conditions have prevented successive Greek governments from carrying out effectively the stringent kind of internal economic stability program that is required. The government of the United States is aware that Greece's burden is a heavy one, but it is convinced that the assistance being extended to Greece can accomplish little toward economic recovery unless the Greek government itself undertakes vigorous measures to control inflation and to stabilize currency, to reduce government expenditures and to augment revenue, to increase the efficiency of the civil service administration, and to revive industry and trade.

Execution of such a program has been the announced intention of the several ministries which have been in power in Greece during recent months, but in no case has it been possible for them to pursue such a program to a successful conclusion. It is assumed that the present government has under consideration a similar program. The extent of possible further American economic assistance to Greece will necessarily be influenced by the effectiveness with which the Greek government deals with the problem of economic stabilization.

British Mission For Greece

The United States government has been advised by the British government of the latter's proposal, now under discussion with the Greek government, to send an advisory economic mission to Greece. In view of the interest which this government has in the success of economic stabilization and recovery of Greece, it welcomes this evidence of the desire of the British government to extend advisory aid to Greece. If Greece should need additional technical assistance, the United States government would be prepared, upon the request of the Greek government, to make available American technical economic experts to consult on Greek financial and economic programs. The particular qualifications of any

experts which might be desired could be determined in consultation between the two governments, so that they would be best equipped to assist on those problems which are now most urgent in Greece.

The Greek government can be assured that the United States government is fully aware of the grave difficulties which beset Greece. It hopes, however, that the Greek government, by taking firm action and at the same time being confident of outside assistance, will be able to lead Greece on the road toward economic recovery.--USIS.

SEARCH FOR SYNTHETIC PENICILLIN REVEALED

Washington, Jan. 15 -- The existence of a secret war research program begun in 1943, which "disclosed several artificially produced penicillins of potential value," was announced here by Dr. Vannevar Bush, director of the Office of Scientific Research and Development. The program to synthesize penicillin, originally undertaken because of the then limited output of natural penicillin, was participated in by 11 American chemical and drug firms, several university and non-profit research organizations as well as government laboratories and many research organizations working in Britain under the direction of the Medical Research Council of Great Britain.

Dr. Bush, praising the cooperation of the participants, said private firms spent their own funds on the program, but all concerned freely interchanged the scientific information gained from the research. The research work under OSRD was discontinued on November 1, 1945, but Dr. Bush said he felt certain laboratory work would be continued despite the fact that the price of the natural product is now so reduced that the commercial value of synthetic penicillin is debatable. Although the program did not result in a commercially feasible method of synthesizing penicillin, "it did result in substantial progress in a new and important field of medical research," Bush asserted.---USIS.

RECONVERSION DIFFICULTIES ARE NOT FULLY SOLVED

Washington, Jan 15. -- The Washington Post, in an editorial, reviewed the progress in the United States of reconversion to a sound peacetime economy, balancing both the healthy and dangerous aspects of current trends in American reconversion. The editorial said in part:

Reconversion of industry has progressed much more rapidly than had been expected, according to the Committee for Economic Development (private organization). This conclusion, based on a nationwide survey, is in line with the opinions expressed by various government experts. Despite strikes and shortages of materials, employment was at a high level at the year's end and a spokesman for CED predicts attainment of the full employment goal well ahead of next fall, provided a solution of the labor-management problems can soon be effected.

Although a stage has thus been set for reconversion progress, Secretary of Commerce Henry Wallace warns us that solution of industrial disputes is not the only problem that has to be faced in the months ahead. As he states, many of the difficulties of shifting to a peacetime economy had not fully emerged at the end of the year. We have not yet experienced the full impact of demobilization of the armed forces. Moreover, serious shortages of essential materials are bound to interfere with industrial expansion.

What we loosely call full employment will not assure the kind of postwar industrial progress that is our aim, unless job seekers are put to work producing goods that are required to build a well-balanced industrial structure and to keep it functioning. In other words, re-employment of veterans and displaced war workers calls for more than the mere finding of jobs. Without workers to produce the kind of scarce goods that consumers want, shortages will persist, speculation will be encouraged, price spirals caused by inflation will follow, and a sound business expansion will be impossible.

Hence, we think it is well to remember Secretary Wallace's warning and not

become too optimistic. For the country will not long benefit from rapid post-war reconversion unless it is the kind of reconversion calculated to lay the basis for continuing prosperity after the pent up demands arising from war have been satisfied.--USIS.

1,329,000 FARMS AND RURAL HOMES WILL BE ELECTRIFIED IN THREE YEARS

Washington, Jan. 15 -- The U.S. Rural Electrification Administration is at the threshold of the greatest period of activity in its history, according to REA's annual report to Secretary of Agriculture Clinton P. Anderson, released during the week-end.

When the fiscal year 1945 ended on June 30, REA Administrator Claude R. Wickard reported, 926 REA borrowers were ready with line building plans designed to bring electric service to 1,329,000 more farms and rural homes in the first three postwar years. This would involve investment by REA borrowers and private power interests, of over 1,000 million dollars.

During the fiscal year 1945 under wartime handicaps of scarcity of materials and labor, REA borrowers extended electric service to 135,000 new rural consumers, bringing the total served by REA-financed systems on June 30, 1945, to 1,287,347.

Since the REA program began in 1935, the number of American farms with a central station electric service has grown from under 11 per cent to nearly 45 per cent of the total.--USIS.

TRUMAN RECOMMENDS FURTHER CUT IN APPROPRIATIONS

Washington, Jan. 14 -- President Truman today recommended to Congress repeal of appropriations amounting to 5,751,428,483 dollars. This and another cutback of contract authorizations totalling 420,079,000 dollars are in addition to recisions totalling 50,345,409,169 dollars approved by Congress near the close of its last session. Recisions for the most part were in appropriations made to cover war expenditures.---USIS

PALESTINE ENQUIRY COMMITTEE CONCLUDES HEARINGS IN WASHINGTON

Washington, Jan. 15 -- The Anglo-American Committee of Enquiry on Palestine concluded its Washington hearings yesterday and will open hearings in London on January 25. The Committee is leaving for England on January 18.

Dr. Isaac Steinberg, secretary general of the Freeland League for Jewish Territorial Colonization, testifying yesterday before the Committee, recommended that the United Nations Organization "open up some large unoccupied areas of the world as a basis for the permanent solution of the Jewish problem." Steinberg, while supporting the achievements of Jewish constructive work in Palestine, rejected the Zionist theory of a national Jewish state there because of political difficulties.

Dr. Peter Bergeon, of the Hebrew Committee of National Liberation, who also testified yesterday, said the repatriation of Jews to Palestine was the "inalienable right of every Hebrew to return home."

Dr. Walter Clay Lowdermilk, assistant chief of the soil conservation service of the United States Department of Agriculture, praised the "pioneering spirit" of Jewish colonists in Palestine in increasing the productivity of the land. Lowdermilk warned, however, that outside help and engineering skill was necessary to develop fully the potential productivity of land in Palestine. He said that enduring peace depended on sound soil conservation principles and urged that the United Nations Organization keep this in mind when drawing up rules and regulations to prevent future wars.

Abel Wolman, chairman of the Engineering Consultant Board of Water Supply for Palestine, told the inquiry committee that, by developing Palestine's water resources and irrigation, the country's 100,000 acres of irrigated land could be increased by 650,000 and 50,000 acres respectively.--USIS.

U.S. EXPEDITING GREATEST WHEAT EXPORT JOB IN HISTORY

Washington, Jan. 15 -- Transportation facilities are being utilized to the limit in a rush to complete the greatest wheat export job in United States history, a Department of Agriculture survey of the national food situation disclosed.

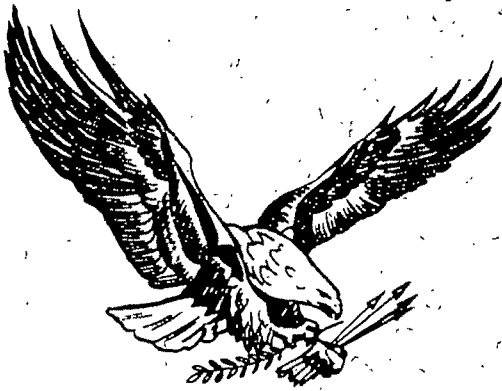
Despite the great burden on the transportation system during the last six months of 1945, a combined total of 175 million bushels of wheat was exported up to the end of December to help stem the threat of starvation in Europe, where the 1945 wheat production was 400 million bushels short.

Meanwhile, government officials disclosed plans to export at least 225 million bushels of wheat or wheat equivalent, including flour, to needy countries in Europe, the Far East, China and other countries during the first half of 1946.

The size of the task confronting government and commercial enterprises in exporting 400 million bushels of wheat during the last half of 1945 and the first six months of 1946 can be appreciated when it is remembered that normal prewar exports have been below or slightly above 100 million bushels annually for the past 20 years. Annual exports during World War Two averaged around 80 million bushels.

A total of 387,000 long tons of wheat and wheat flour, equivalent to approximately 14,500,000 bushels, is scheduled for shipment to seven European countries and French North Africa in February, compared with January authorizations totalling 288,300 long tons (10,750,000 bushels). The February authorizations schedule 300,000 long tons for France, including French North Africa and the French occupation zone in Germany. It is pointed out that the figure for France exceeds her July 1945 estimates. The increase will partially offset curtailed 1945 French North African production due to severe drought.

Other February authorizations include 30,000 long tons to Belgium, 21,000 to the Netherlands, 12,000 to Portugal, and 8,000 to each of the following countries -- Norway, Switzerland and Spain.--USIS.



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BYRNES' ADDRESS TO UNO ASSEMBLY

London, Jan. 14 -- U.S. Secretary of State James F. Byrnes, addressing the General Assembly of the United Nations Organization in London today, declared that UNO "must live, because in this atomic age the common interests which should unite free nations in maintaining a friendly, peaceful world far outweigh any possible conflict in interests which might divide them."

The Text of Byrnes' speech follows:

We have met here today to consider the report of the preparatory commission. This report is the result of painstaking and devoted labor by delegates on the executive committee and preparatory commission. This preparatory work has made it possible for the United Nations to begin its work at the very start of the first year of peace, after six successive years of devastating war and less than five months after the surrender of Japan.

For this prompt beginning, the world owes an immeasurable debt to many who are not here today. We are particularly indebted to Franklin Delano Roosevelt, Winston Churchill and Joseph Stalin.

It was they who, four years ago this month, at one of the darkest moments of the war, joined with their allies to proclaim the United Nations declaration. Even as they exerted every effort to mobilize and unite at that late and critical moment the forces of freedom for survival, they knew that military survival, military victory, was not enough.

The vision of those nations, large and small, which joined in the United Nations declaration was not restricted to a wartime alliance. Their determination was to bind together in peace the free nations of the world so that never again would they find themselves isolated in the face of tyranny and aggression. Their resolve was to see that military victory was not a mere armistice to allow time for aggressor nations to choose their victims and enslave them one by one.

The purpose of these nations which united in the defense of their freedom was not to escape but to face reality in the world in which we live. They recognized, as the peace-loving nations were rapid to recognize after the last war, that in this modern world nations, like individuals, cannot live with themselves alone.

They realized the lives and treasure which might have been saved if free nations of the world had heeded in time the practical idealism of Woodrow Wilson,

Lord Robert Cecil and Maxim Litvinov. They realized the lives and treasure which might have been saved if the free nations of the world had united to preserve the peace before the peace of any of them was broken, instead of waiting until aggression had enlarged to the whole world which was compelled to unite in a war for survival. They resolved, even before victory was attained, that they would take steps to preserve a free and united world. They resolved to keep faith with the millions who were fighting and dying to give the world the chance which it so tragically missed after the first World War.

At Moscow, in 1943, a start was made by Mr. Hull (then U.S. Secretary of State), Mr. Molotov and Mr. Eden. On that occasion a pledge was undertaken by the United States, the United Kingdom and the Soviet Union, in which China joined, to work for the creation of an effective international organization. Then came the Dumbarton Oaks proposals, the Yalta decision to call the San Francisco conference and, finally, the United Nations Charter which 51 nations joined in writing.

The Charter is now part of the law of nations. It has been ratified by all the countries which are represented here. The preparatory work has been completed. The assembly of the United Nations is no longer a plan on paper. It is a living reality — the representatives are here in this hall. The Security Council and Economic and Social Council have been elected.

Support From Nations Needed

Functioning of the United Nations will depend not merely upon the words of its charter or the rules of procedure we adopt here or upon the individuals we elect to hold office. It will depend upon the support it receives from the governments and peoples of the nations which have created it and which must sustain it. If the United Nations lives in the minds and the hearts of our people it will be able to adapt itself to the changing needs of a changing world and it will endure. If it lacks broad popular support, no charter, however perfect, will save it. I believe the United Nations will live. I believe it because it springs from the impelling necessities of the age in which we live. It has been born out of the indescribable pain and suffering of many peoples in many lands. It must live because in this atomic age the common interests which should unite free nations in maintaining a friendly, peaceful world far outweigh any possible conflict in interests which might divide them.

The United Nations does not threaten any people. It comes into conflict with no real or vital interest of any of its members. It is not interest, it is fear and suspicion, which in turn breed more fear and suspicion, that cast a shadow upon the path of peace. As the late President Roosevelt said: "We have nothing to fear but fear itself." We must dedicate ourselves to the task of exposing and eliminating blind and unreasoning fears and the unnecessary difficulties which they create.

Nothing can help dispel fear and suspicion so much as cooperation in common tasks and common problems. The opportunities afforded for working together within the United Nations can help to break down habits of thinking in terms of national isolation and go far to bring about understanding and tolerance.

The United Nations is not a mere pact among its members — it is an institution, or a series of institutions, capable of life and growth. Let us use the institutions that we have created to help one another rebuild a shattered

world in which...

in which there can be real security. Let us not be unduly concerned about the shortcomings of the charter before we have even tried to operate under

No charter that must be acceptable to all of us can be regarded as perfect by any one of us. But it is a great tribute to the framers of the charter that it has been accepted by all the United Nations, large and small. It is not possible that the great states may abuse the rights given them under the charter. There are risks in any human undertaking. But I have faith that the great states will respect their obligations. President Truman stated in his opening address at the San Francisco conference:

"While these great states have a special responsibility to enforce the peace, their responsibility is based upon the obligations resting upon all states, large and small, not to use force in international relations except in the defense of law. The responsibility of the great states is to serve and not to dominate the world."

Great states as well as small states must come to view their power as a sacred trust to be exercised not for selfish purposes but for the good of all peoples. If the United Nations becomes a working institution with broad popular support devoted to the development of peace, security and human well-being, whatever defects there may be in its lettered provisions will not be beyond practical remedy. Institutions that come to live in the minds and hearts of people somehow manage to meet every crisis.

Feats of Magic Not to be Expected

But I offer a word of warning. Let us not expect feats of magic overnight from the institutions we have created. Let us beware of the diehard enthusiasts as well as the diehard unbelievers. Let us not think that we can give over any and every problem to the United Nations and expect it to be solved. Let us avoid placing excessive burdens upon institutions of the United Nations, especially in their infancy.

I recall to you the clear provisions of the charter, which obligate member nations to make every effort to settle their disputes by peaceful means of their own choice before calling upon the United Nations to intervene. The primary responsibility of the United Nations is to build a lasting system of peace and security capable of meeting the stresses and strains of the future and to promote, through more effective international cooperation, the economic and social well-being of the peoples of the world.

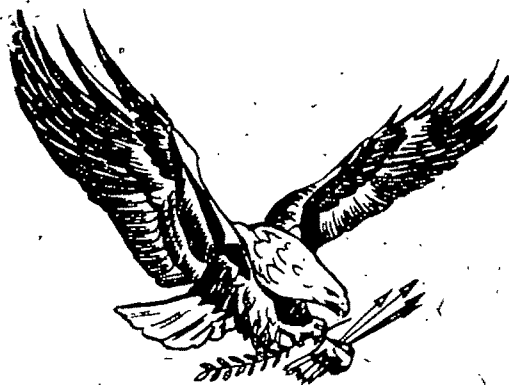
In the months ahead, we must concentrate upon these tasks. We have first to provide the Security Council with the force it needs to maintain peace. This must be done by special agreements which remain to be worked out between the Security Council and member states. We should begin upon this task immediately.

We have another task of transcending importance. Establishment of a commission to deal with the problems raised by the discovery of atomic energy is inseparably linked with the problem of security. It is a matter of primary concern to all nations. We must not fail to devise the safeguards necessary to ensure that this great discovery is used for human welfare and not for more deadly human warfare.

I hope that this assembly will approve promptly the resolution proposed by my government, in association with the United Kingdom, the Soviet Union, China, France, and Canada, so that this commission may begin its work without delay.

The United Nations must be a cooperative effort upon the part of all loving nations. Our fighting men have given us this opportunity. A great responsibility now rests upon all of us. Upon the meeting of that responsibility depends the future of civilized humanity.

Twenty-five years ago we in the United States were not fully aware of responsibility. But, with others, we have learned from experience. This time the U. S. Government and its people are deeply conscious of their responsibility. This time on their behalf I pledge full and wholehearted cooperation. --USIS



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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, -- that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of *Abrams v United States*.

January 18, 1946

N.Y. TIMES SAYS U.S. HAS MAJOR RESPONSIBILITIES IN WORLD AFFAIRS

New York, Jan. 17 -- Two United States newspapers commented editorially on the responsibility of the participating nations in ensuring the success of UNO. The New York Times declared that U.S. membership of UNO is not enough but has to be backed by U.S. power, while the Baltimore Sun said differences among nations must be brought out into the open if they are to be settled.

The Times editorial said in part: "One subject that is not on the agenda of the first meeting of the United Nations General Assembly in London, but which must be on the minds of all the delegates there as they wrestle with the manifold problems of our war-disordered world, is what dependence can be placed on the United States to carry out its international duties under the United Nations Charter as the world's strongest and most dynamic power.

"During the war the United States provided the decisive might which swung the balance of power in favor of the United Nations. In doing so the United States destroyed . . .

States destroyed the balance of power the war might otherwise have established in Europe and Asia, and created a new world-wide balance of power of which America is one of the three chief pillars. If that balance of power is upset, if any one of the Big Three powers fails to live up to the responsibilities which victory has imposed, it would compel all nations to seek refuge in new armaments and new alignments, useless against the turbulent forces which all war breed and which are now gradually being brought under control.

"The new balance of power can be upset not only by excessive armament or expansion, but also by excessive disarmament and premature withdrawal of our strength from international service. There is no danger of the United States' making the first mistake; there is grave danger that it might make the second -- and for the second time in its recent history.

"Membership in UNO is not enough unless we are willing to support our membership, not only with words but also with our power that can make it safe for others to support the policies we advocate."

Ups and Downs Must Be Expected

The Baltimore Sun, commented in part: "We must expect that the deliberation now begun will be difficult. They will have their ups and downs.

"The meeting of the General Assembly will not only have its ups and downs; these ups and downs will be magnified by the very fullness of modern news reporting. What we must remember is that conflict is the bread and butter of an international organization -- conflict and the resolution of conflict. The differences which tend to divide nations cannot be adjusted until they are first brought out into the open.

"Resort to arms has been a cruel and extravagant, if effective, way of settling conflict in the past. In the new age, resort to arms threatens to become something approximating national suicide. No one knows this better than the delegates to the General Assembly of UNO. That is what we must remember when the inevitable 'crises' begin to announce themselves."--USIS.

HUNT FOR NAZI GOLD LOOT CONTINUES

Washington, Jan. 17 - Official sources here said Tuesday that recovery of gold looted by the Nazis constitutes an important part of the plan for reparation and restitution. The total amount involved is estimated at 700 million dollars.

It was pointed out that more than 200 million dollars in gold was stolen from Belgium and less than 300,000 dollars has so far been uncovered. Meanwhile energetic steps are being taken to recover as much of the loot as possible through careful tracing of all Nazi transactions, some of which were with neighboring neutrals and enemy satellites from whom the Nazis made purchases.

Another item in the German economy which does not at present come under the reparations formula is that of coal from the Saar and Ruhr valleys. Governments, such as that of the United States, which have supplied emergency requirements to Germany are to be assured payment before proceeds from such sources as coal in Germany are made available for reparations.

As regards such German assets as the trans-Atlantic liner Europa, it is pointed out this ship comes within the United States' one-third share of the German merchant fleet. It is not definitely decided whether the United States actually would like to take the Europa as part of her reparations. German shipping reparations are estimated at 80 million dollars, the only ships being retained by Germany being some coastal vessels.

The United States claim for reparations is estimated to total over 200,000 million dollars and it is pointed out that this and the claims of other participating nations have been subjected to audit with the idea of making rough apportionments upon the basis of equity.

It is learned that Greece has not yet withdrawn her protest at receiving what she considered an insufficient share in reparations. It is pointed out that a variety of factors determined why a country like Yugoslavia would

seemingly get . . .

seemingly get a larger share than Greece. Among these factors were budgetary expenses, actual war damage, loss of life and occupation costs. In fixing the standard of living for Germans themselves the Allied Control Council did not fix a standard of equality with that of victim countries but rather a standard where equality was possible of achievement.---USIS.

U.S. DOES NOT RECOGNIZE SIAM'S TERRITORIAL ACQUISITIONS

Washington, Jan. 16 -- A State Department spokesman, queried today regarding the United States attitude towards Indo-Chinese territory which Siam took in 1941, said the United States government has informed the French, Siamese and British governments that it does not recognize the validity of the acquisition of Indo-Chinese territories by Siam on May 9, 1941, on the ground that those territories were acquired in the course of Japanese aggression, and considers that those territories should be restored by Siam.

It was explained that the foregoing view is not to be considered as supporting or opposing the merits of the pre-1941 Indo-Chinese-Siamese border, and that the position of the United States government is without prejudice to any border readjustments which may be effected by orderly, peaceful processes subsequent to the restoration of these territories.---USIS.

U.S. TO EXPORT 220 MILLION POUNDS OF FATS AND OILS IN FIRST QUARTER OF 1946

Washington, Jan. 17 -- United States allocation of edible fats and oils for export and shipment in the first quarter of 1946 will be 219,500,000 pounds, according to the Department of Agriculture. The figure represents an increase of over 40 million pounds above allocations for the last quarter of 1945. The increased allocations to foreign claimants are consistent with the Combined Food Board recommendations which have been made in view of short world supply of fats and oils and because of decreased military requirements.

For 1946 as a whole, it is estimated that the amount of fats and oils to be supplied by the United States, plus other imports and the amounts available from domestic production of these countries, will provide the western European countries with about 80 per cent of their prewar consumption, the Department said.---USIS.

OVERSEAS INFORMATION PROGRAM IS A RIGHT STEP, SAYS WASHINGTON POST

Washington, Jan. 17 -- Commenting on the U.S. State Department's new overseas information program, the Washington Post in an editorial yesterday said in part:

An overseas information program about America is, as President Truman characterized it, "an integral part of the conduct of our foreign affairs." When the President last August instructed the Secretary of State to formulate a continuing information program, he stated its function should be to present a "full and fair picture . . . of American life and of the aims and policies of the United States government." The definition seems to us an ideal one. Since our foreign policy is one of friendship to all the world, we can do nothing better to implement it than to help people everywhere to know the truth about us.

This is not, speaking in the most general sense, a selling program and it embraces none of the sinister elements of propaganda. There is no longer any need for this sort of activity. But there is greater need than ever before for promoting understanding by a frank revelation to our friends of our policies and purposes. At its most elementary level, this involves an effort to give people abroad an accurate, instead of a garbled, version of the statements made by the President, of the legislation enacted by Congress, and of the policies undertaken by our Department of State.

But it should, of course, go beyond this. It should let people abroad know what life is like in the United States, what we are doing here to solve our social and economic problems, how our constitutional democracy operates. It should tell the story of American industry, of American advancements in science, medicine and education, and of great undertakings such as TVA. It should, in short, satisfy the curiosity about America which is felt everywhere and make readily available the means of understanding our way of life. This is fundamental to the leadership we hope to exercise in the postwar world.

In large . . .

In large part this can be done through private agencies. American motion pictures, for example, are seen in nearly every portion of the globe. But where it is not profitable for the films to penetrate, some help from government may be needed.

Overseas radio broadcasting, which produces little revenue, is another case in point; perhaps it needs to be subsidized, perhaps it needs to be carried on, as during the war, by government itself. Clearly, however, this vital agency of communication ought not to be ignored.

American libraries of information, set up during the war and used extensively by our allies, ought to be continued in order to afford ready access to facts about the United States. The new office in the State Department is designed to assist and supplement, not to supplant, the private agencies of communication.--USIS.

EUROPE TO GET 1,500,000 TONS OF U.S. COAL IN JANUARY

Washington, Jan. 17 -- Approximately 1,182,000 tons of coal were shipped by the United States to Europe in December 1945 and allocations for January 1946 have been set at about 1,500,000 tons, director of War Mobilization and Reconversion John W. Snyder announced.

Out of approximately eight million tons of coal which the United States had expected to export by January 1, 1946, only 5,602,200 tons actually were shipped, leaving a deficit of more than two million tons. As a result of action taken in December to expedite coal exports to Europe, it is expected this deficit will be made up before the end of the coal year on March 31, 1946. Special attention will be given during the remainder of the coal year to the need for coal of those areas which have suffered the greatest deficits in imports from all supply sources, so that the greatest degree of equity may be achieved.---USIS.

ACHESON REVIEWS DEVELOPMENTS IN FOREIGN RELATIONS

Washington, Jan. 17 -- Acting Secretary of State Dean Acheson at a press conference Tuesday discussed the occupation of Japan by military contingents of other countries. The White House last fall, he said, had stated we would welcome troops from our major allies. The British had replied they were planning to send a contingent of Commonwealth troops under the command of an Australian, General Nordcliff. This group has not arrived, and probably will not for two or three months. The Chinese said they were willing, but could not undertake it. There has been no indication from the Russians, Acheson said, whether they wish to or not. The United States has kept all the Allies informed as to the views of the others, he added.

As to the progress in Bulgaria and Rumania in carrying out the terms of the Moscow communique, Acheson said reports from Bulgaria do not indicate progress. As to Rumania, the commission set up by the Foreign Ministers' Conference visited that country and representatives of two more parties entered the government. Assurances were given on free elections, but nothing more is known.

On the situation in Siam as a result of the Siamese-British treaty, Acheson said he was happy to note that extra-territoriality in Siam was abolished and that discrimination in Siamese law against British nationals was also done away with.

Acheson said that there have been no developments on the United States, British and French consultations regarding Spain.

The Anglo-American loan document is ready to be sent to Congress, Acheson said, and probably a message from the President, after he gives the State of the Union message, will accompany it.

As to Korea, Acheson said he was happy to report real progress, and added representatives of Soviet and American commanders there were meeting in Seoul.

THEY FOUGHT A SECOND ENEMY IN BURMA

New Delhi, Jan. 17 -- A small group of Americans filed back over the Stilwell Road recently from Burma where for a year they had fought a grim, silent battle with a deadly enemy -- scrub typhus -- that still swarmed unconquered in the jungle, Roundup, the weekly newspaper of the U.S. forces in the India-Burma theater, reported. It added:

The men were the 50 officers and enlisted ranks who constituted the India-Burma Field Party of the U.S. Typhus Commission. Their enemy -- unvanquished but repulsed -- bore the name of *Rickettsia Orientalis*, known simply to the fighting men in Burma as scrub typhus.

On November 21, the doors of the laboratories of the 44th Field Hospital, on the west bank of the Irrawaddy some six miles north of Myitkyina, closed for the last time. Those were the four laboratories, stocked with all the animals necessary to carry on the experiments that had started crudely in an inadequate monsoon tent last year.

But the story goes back further than that. It starts in the latter part of 1943 -- in November, when a strange fever broke out around Ledo and Shingbuiyang. Twenty-two men had come by the end of that month to the 20th General Hospital, bodies wracked with burning heat, while 10 were delirious at the 73rd Evacuation Hospital and five were reported dead from the fever at Shingbuiyang. The cases came from a company which had camped in a jungle clearing a few days earlier.

Major D.S. Pepper, of the 20th General Hospital, thought it might be scrub typhus -- a variation of the malady that U.S. scientists knew little about, except that it was prevalent in Japan, Malaya and on the east Asia coast. He conferred at Chabua with Major L. Jellison, a *Rickettsia* disease expert, and Major Jellison became convinced -- the dreaded scrub typhus had hit the Allies in Burma.

Quick preventive action was taken -- clothing was sterilized, traps and poison were set for suspected mite-bearing rats, open, grassgrown camp sites were avoided and . . .

avoided and selected sites were petroloum-sprayed and burned out. So the disease abated.

But during the spring and summer of the following year, the fever brought down more fighting men -- some of Merrill's Marauders succumbed. An epidemic threatened to break up the drive toward Myitkyina and, indeed, the whole Burma campaign. Accordingly, the Theater Surgeon radioed the Middle East Typhus Commission and they, in turn, wired the central body in Washington.

Laboratory at Myitkyina

A four-man team of scientists, headed by Col. Thomas T. Mackie arrived in the CBI on Oct. 22, 1944, and two weeks later set up a makeshift laboratory at Myitkyina. Mackie saw a great opportunity for doing worthwhile research work on scrub typhus. So he set about conducting personal interviews to enlarge his staff. Men were drawn from as widely diverse units as the Army and Navy Medical Corps and the Kachin Rifles -- all had to show an undoubted interest in the work at hand. All were told, before accepting, that they would be exposed to one of the deadliest germs on the globe.

Men of the Commission wore high boots all the time in the Burma grasslands and primitive jungle, and dimethyl phthalate, an insect repellent, was rubbed into all clothing.

In the discovery that rat-borne mites, tiny blood-sucking parasites, were the main carriers of scrub typhus, some 20,000 separate microscopic slide preparations were made. Available now for continuing studies and for loan to universities, this is believed to be the largest single collection of "chiggers" in the world.

Although no vaccine of unquestioned efficacy has been discovered, the Typhus Commission has withdrawn from its battle with the invisible foe with a record of having successfully blocked the progress of this disease among troops in this theater and an amassed technical history which may yet spell final defeat for scrub typhus.--USIS.

FOURTEEN-FOLD INCREASE IN U.S. AVIATION GASOLINE PRODUCTION ACHIEVED DURING WAR

Washington, Jan. 17 -- The wartime expansion of aviation gasoline facilities in the United States, operating improvements and specification changes resulted in a fourteen-fold increase in the production of aviation gasoline from 40,000 to 556,000 barrels daily, according to a report by the Surplus Property Board submitted to the U.S. Congress.

The report, submitted by W. Stuart Symington, Surplus Property Administrator, recommended prompt disposal of government-owned aviation gasoline plants to private operators. Finding that there is need to hold these plants as stand-by facilities in the event of another emergency, the report advocated they be disposed of as operating entities wherever possible and that their dismantling be undertaken only as a last resort.

Private companies made over 70 per cent of the investment for the expanded facilities, to the amount of approximately 637 million dollars, the report said. Government invested 233 million dollars on 29 installations, 16 of which cost more than five million dollars each.

Discussing the economic aspects of the disposal of the aviation gasoline plants, the report said that since the postwar demand for aviation gasoline will be markedly less than the wartime demand and largely supplied by privately owned facilities of major operators, the principal use to be made of these plants will be in the production of high quality motor gasoline. Some units in practically all installations will be of use in producing such gasoline, it added. ---USIS.

AMERICAN AIRLINES WILL HAVE THREE TIMES THEIR PREWAR STRENGTH

Washington, Jan. 17 - The prediction that domestic and overseas airlines will have a fleet of 1,239 planes by the end of this year, seating 49,757 passengers, was made yesterday by Robert Ramspeck, executive president of the Air Transport Association of America.

This commercial air fleet, he asserted, would be three times that in operation before the war, when 359 planes, with 6,250 seats, were running. ---USIS.

THREE AMERICANS NOMINATED TO INTERNATIONAL COURT OF JUSTICE

Washington, Jan. 17. - Three United States citizens are among the nominees to the International Court of Justice as announced yesterday at the United Nations General Assembly meeting in London. They are Green H. Hackworth of Chevy Chase, Maryland; Judge Manley O. Hudson of Harvard University; and Dr. Charles G. Fenwick of Bryn Mawr, Pennsylvania. The proposed American jurists are among jurists of 40 countries nominated for 15 members of the International Court of Justice, to be elected at the current session of the United Nations Assembly and Security Council. The date for the election has not been announced.

Green Hackworth, who was nominated by the United States, Nicaragua and Turkey, has long been legal advisor to the State Department. From 1922 to 1925 he was counsel to the United States in all matters coming before the International Joint Commission -- under the Boundary Waters Treaty of 1909 -- between the United States and Great Britain. He was sent on a special mission in 1923 to Lausanne, Switzerland, to assist the American delegation in drafting a treaty between the United States and Turkey, and in the same year he also went to Madrid to negotiate a commerce treaty between the United States and Spain.

Hackworth became legal advisor to the State Department in 1931, and in 1937 he was appointed a member to the Permanent World Court of Arbitration to succeed the late Elihu Root. He was delegate to the Eighth International Conference of American States at Lima, Peru, in 1938 and in 1940 he was appointed adviser to the Secretary of State at the Second Meeting of Ministers of Foreign Affairs of the American Republics at Habana, Cuba.

Manley Hudson, nominated by Argentina, Canada, Chile, the Dominican Republic, Ethiopia and Panama, is a distinguished American jurist. He became special assistant to the State Department in 1918 and in the same year he was

attached to the . . .

attached to the American commission to negotiate the peace treaty at Paris. He became a member of the League of Nations secretariat in 1919 and during the summers of 1922 and 1923 he was legal advisor to the International Labor Conference.

Lecturer, editor and author, Hudson has written numerous articles and books on international law. He was appointed a member of the Permanent World Court of Arbitration in 1933 and was elected judge of that court in 1936.

Charles Fenwick, suggested for the new international court by Venezuela, is a well-known political scientist. He has been professor at the Bryn Mawr College for women since 1918; was a United States delegate to the Inter-American Conference for Maintenance of Peace, at Buenos Aires, in 1936; was a delegate to the Eighth International Conference of American States, Lima, in 1938 and author of "Neutrality Laws of the United States" and "Political Systems in Transition," as well as translator of Vattel's "Droit des Gens".

Each candidate for election to the International Court of Justice must obtain a majority of votes in the 51-nation Assembly and also in the 11-nation Security Council. If more than one national from the same country gets such a majority, only the eldest can become a member of the court. Dr. Fenwick is 65, Green Hackworth is 62 and Judge Hudson is 59.--USIS.

U.S. SEEKS FREEDOM TO REPORT ON UNRRA WORK

Washington, Jan. 17 -- The U. S. State Department announced today that, in accordance with the Congress request to the President, an "aide memoire" has been dispatched to nations receiving UNRRA aid to provide full facilities to American press and radio correspondents to enable them to report fully, without censorship, on the utilization and distribution of UNRRA supplies and services.

The "aide memoire" has been sent to Albania, China, Czechoslovakia, Greece, Italy, Poland, Russia and Yugoslavia.---USIS

U.S. MEAT AND WOOL SUPPLY PROSPECTS FOR 1946 SATISFACTORY

Washington, Jan. 17 -- The U.S. Department of Agriculture, in a report on livestock and wool made public today, said that requirements for meat to be shipped to Europe in the first half of 1946 were larger than the actual deliveries to the Department in the same period last year. It was pointed out, however, that a 70 per cent decline was estimated in military meat purchases for the first six months of this year. Following are excerpts from the report:

The 1945 meat crop was the fourth largest in at least 22 years, exceeded only by the large crops of 1939, 1942 and 1943. The fall crop of 1945, estimated at 35 million head of livestock, was 12 per cent greater than that in the fall of 1944.

The prospects are for an increase in hog slaughter in the spring and summer of 1946, compared with 1945, as a result of the increased size of the fall pig crop in 1945. Slaughter of hogs in the fall of 1946 will also be greater than in 1945.

Requirements for meat to be purchased by the Department of Agriculture in the first half of 1946, chiefly for shipment to Europe, are larger than the actual deliveries to the Department of approximately 600 million pounds, dressed meat basis, in the same period of 1945. But military meat purchases in the first six months of 1946 are estimated at about 70 per cent less than in the first half of 1945.

Government stocks of domestic wool, which totalled 442 million pounds (grease basis) in November, may be considerably reduced, particularly for some grades, before the 1946 clip is available next spring. Government stocks, plus mill and dealer stocks of apparel wool, in September 1945 totalled 765 million pounds (grease basis) compared with the 669 million pounds in September 1944.

World wool production in 1945 is estimated at 3,760 million pounds. Because of large stocks which accumulated in the southern hemisphere and in the United States during the war, world supplies of wool in 1945 were about

two-thirds above prewar supplies (production plus carry over). Supplies will remain comparatively large for a number of years.--USIS.

EXPORT-IMPORT BANK TO HAVE SPECIAL ADVISORS ON FAR EAST AND LATIN AMERICA

Washington, Jan. 16 - Wayne C. Taylor, president of the United States Export-Import Bank, yesterday announced the appointment of Frank A. Waring and Norman T. Hess to the economic staff of the bank.

Waring, who has a wide background in research in the Philippines and other Far Eastern points, becomes special advisor on the economic aspects of credits involving the Far East. He was adviser to the United States delegation at the San Francisco conference last year.

Hess, with similar research experience in Latin American affairs, will be special adviser on the economic aspects of credits involving Latin America.
--USIS.

KENNY APPOINTED ASSISTANT SECRETARY OF NAVY

Washington, Jan. 17 - President Truman yesterday announced the appointment of W. John Kenny as Assistant Secretary of Navy to succeed H. Struve Hensel, who has resigned as of February 28.

Kenny has been serving as general counsel to the Navy after entering the Navy Department in 1941 in charge of re-negotiation of contracts.

Hensel, prior to his appointment as Assistant Secretary in January 1945, was associated with the legal office of the Navy Department. He is resigning to return to private law practice.

In accepting Hensel's resignation, the President praised his work, both in the Navy's legal office and in procurement affairs during his assistant secretaryship.--USIS.

RESTORATION OF FOREIGN ECONOMIES ESSENTIAL TO PREVENT DEFLATION IN U.S.

New York, Jan. 17 - The United States must help in the restoration of economy and reconstruction work in foreign countries "as a better assurance for a healthy and vital foreign trade so necessary to the continued health and wellbeing of our economy," Alfred Schindler, Under Secretary of Commerce, stated in New York last night in a speech to the American Management Association (a private organization).

In his speech, outlining American business prospects for the next few years Schindler stressed that foreign markets will furnish the United States with a solution to the danger of deflation once immediate demands for goods in scarcity during the war have been satisfied. The Under Secretary outlined economic trends in three points:

Firstly, the "vast sources of purchasing power in face of the tremendous backlog of deferred demands and the serious threat of 'inflation' in the first six months of this year."

Secondly, "the encouraging signs of production leading to a lessening of the danger of inflation as production catches up with demand."

Thirdly, "as the backlog of deferred demand for durable goods are worked off, the danger of 'deflation' and possible serious postwar depression."

Under the first point -- backlog of purchasing power -- Schindler said in part: "The average consumer during the past four years has not had normal outlets for his income. He has been forced to save a large portion of it. Just as consumers have had to restrict capital expenditures during the war years, so have business enterprises. Business holdings of liquid assets increased by over 40,000 million dollars -- about two and one-half times the prewar level. All this money and credit could present a fearful picture of danger to us. We are going to continue to safeguard our economy through proper legislation until such time as the natural and healthy law of supply and demand is once again on our economic horizon."

Under point . . .

Under point two -- signs of production -- Schindler stated in part: "As you all know reconversion has been running into the usual hardships that follow the shift from a wartime economy to a peacetime economy. But by the middle of 1946 we can expect to see these industries producing a volume at least as high as the previous peak reached in 1941. We can, I think, produce enough by the end of this year to stem the forces of inflation."

Under the last point -- a solution to the deflation threat -- Schindler declared: "The people in the recent war zones must be helped. Foreign countries must be restored to more normal levels of production and income. Assistance must be given to construction work in China, Russia, Great Britain, Philippines and other countries so necessary to the continued health and wellbeing of our economy."--USIS.

U.S. SYNTHETIC RUBBER PLANTS ARE STILL NEEDED

Washington, Jan. 17 - The Surplus Property Administration, in an interim report to Congress, has agreed with the decision of the Reconstruction Finance Corporation not to declare government-owned synthetic rubber plants generally surplus until after the national rubber policy has been declared.

The interim report pointed out that the United States government's investment in 44 plants for the manufacture of synthetic rubber and its components amounts to approximately 680 million dollars. These plants have a rated capacity of 833,000 tons yearly but are capable of producing 1,100,000 tons annually.

The proportion of the use of natural rubber to synthetic has now been reduced to about 15 per cent natural to 85 per cent synthetic, SPA reported.

According to current rough estimates, however, natural rubber production in the Far East during 1946 may not exceed 600,000 tons, of which perhaps 300,000 tons may be allocated to the United States. In view of prospective requirements for perhaps 900,000 tons of rubber of all types, the demand for synthetic in 1946 will considerably exceed any minimum likely to be prescribed for national defense needs, the report said.

"How long this situation will continue depends on the rate at which crude rubber production expands and the consequent increase in the amount made available to the United States," the report said.--USIS

67 PER CENT OF U.S. NOVEMBER FOOD DELIVERIES GOES ABROAD

Washington, Jan. 17 -- The Department of Agriculture has announced that during November 1945 deliveries of government-owned food for foreign shipment and for domestic and territorial programs totaled 431,524,691 pounds as compared with the total of 458,446,688 pounds delivered in October 1945.

The major portion of the food items covered by the report -- 67 per cent -- were deliveries for foreign shipment divided among the United Kingdom and British services overseas, the Soviet Union, France, French West Africa, French North Africa, the French colonial supply mission, Czechoslovakia, Italy, the Netherlands, Belgium, Netherlands Asiatic colonies, Norway, Sweden, the British dominions and colonies, the Iceland purchasing commission, and the Philippines.

A total of 104,251,513 pounds of food were sent during November to claimants of UNRRA, while smaller amounts were used for the Caribbean stockpile program and the Hawaiian program, the Department said.---USIS.

BALTIMORE INCLUDED AS TERMINAL FOR TRANS-ATLANTIC FLIGHTS

Washington, Jan. 17 -- The United States Civil Aeronautics Board has designated Baltimore, Maryland, a seaport city 40 miles from the nation's capital, as a terminal on the trans-Atlantic air routes established by the Board last summer.

Baltimore was not included in the original designations of the Board, naming Washington, Chicago, Detroit, Philadelphia, New York and Boston as terminals for international air traffic across the north Atlantic. The city of Baltimore and the Baltimore Aviation Commission filed an application with the Board for designation as a terminal. The Baltimore airport, a combined land and seaplane port, is at present used as a terminal for trans-Atlantic flights by the British Overseas Airways Corporation.--USIS.

U.S. POPULATION INCREASES BY EIGHT MILLION IN FIVE YEARS

Washington, Jan. 17 -- The total population of the United States, including the armed forces overseas, increased by almost eight million between April 1, 1940, and July 1, 1945, according to estimates released today by Director J.C. Capt of the Bureau of Census, Department of Commerce.

The estimated total number of persons as of July 1, 1945, is 139,621,431, as compared with 131,669,275 at the last census in 1940.

Since July, the population has continued to increase and the provisional estimate of the total population as of October 1, 1945, is slightly over 140 million.

The population increase in five years after 1940 was almost nine-tenths as large as the increase during the preceding ten-year period. Chief cause of the accelerated rate of increase is the wartime rise in the birth rate. Although the birth rate has shown a tendency to decline somewhat since 1943, the level is still considerably higher than at any time between 1930 and 1940.

With the return of servicemen from overseas and rapid demobilization it is expected that the birth rate will take another upswing and that population increases will continue at the current or higher rates for two or three more years. While the birth rate has been relatively high, in recent years the death rate has remained relatively low. Military mortality did not raise the general death rate very much.

In combination with the low death and high birth rates, an excess of immigration over emigration helped to swell the population still further.

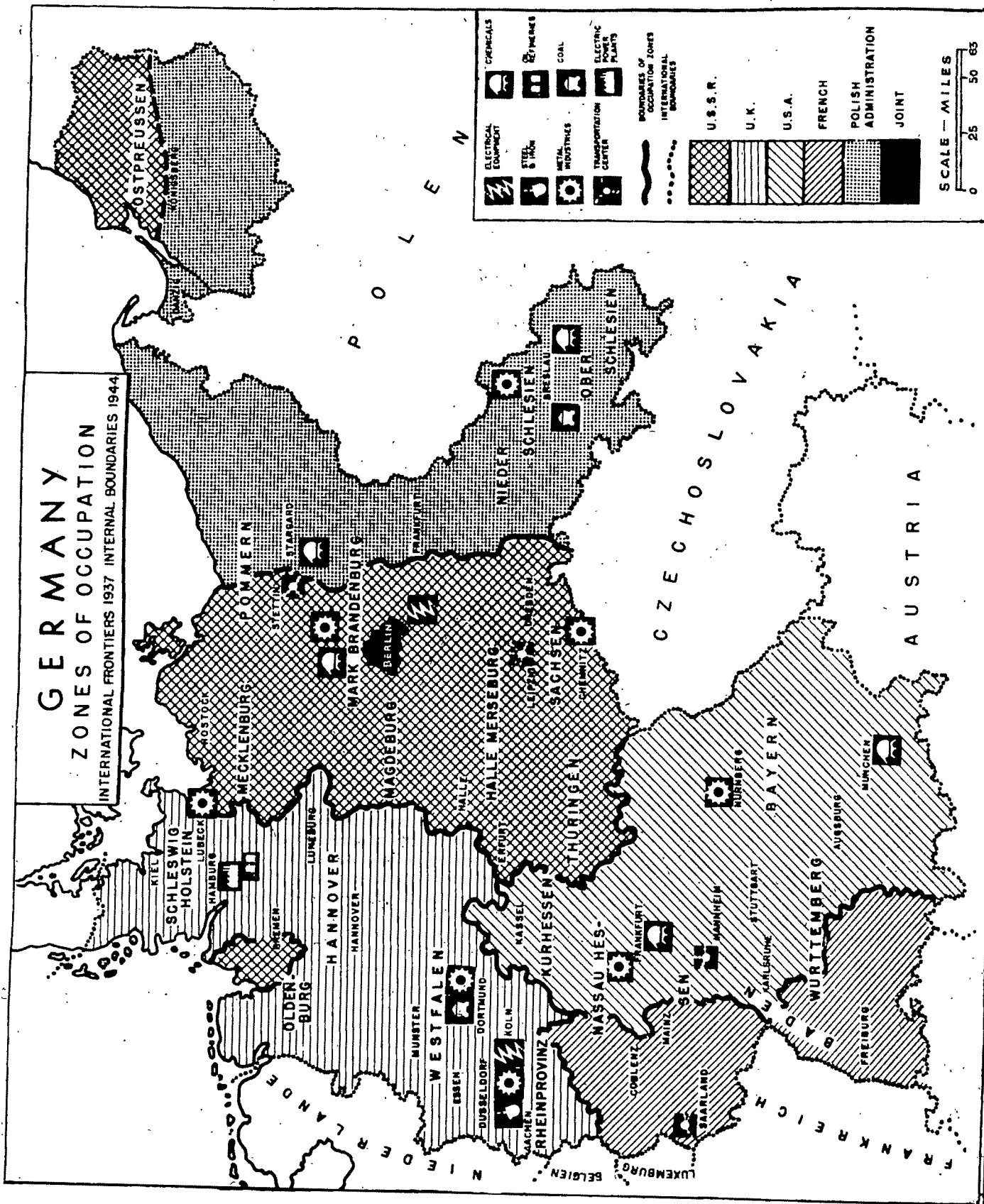
Immigration figures for the period April 1, 1940, to July 1, 1945, disclosed in the estimates are as follows: Arrivals of immigrant aliens, 187,327; of non-immigrant aliens, 552,375; departure of emigrant aliens, 43,890; of non-emigrant aliens, 367,403.

The excess of arrivals over departures (net immigration) is: immigrant aliens, 143,437; non-immigrant aliens, 184,972.---USIS.

GERMANY

ZONES OF OCCUPATION

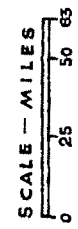
INTERNATIONAL FRONTIERS 1937 INTERNAL BOUNDARIES 1944

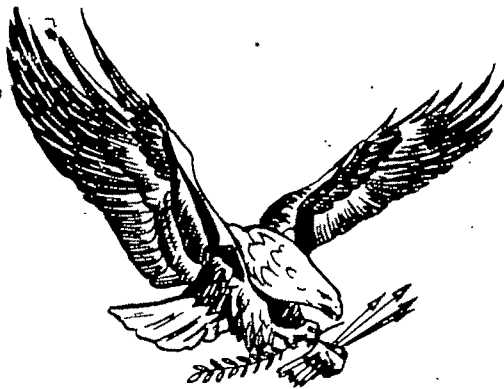


ELECTRICAL LAMP	CHEMICALS
STEEL & IRON	SHIPBUILDING
METAL INDUSTRIES	COAL
TRANSPORTATION CENTER	ELECTRIC POWER PLANT

BOUNDARIES OF OCCUPATION ZONES
 INTERNATIONAL BOUNDARIES

	U.S.S.R.
	U.K.
	U.S.A.
	FRENCH
	POLISH ADMINISTRATION
	JOINT





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TRUMAN'S STATE OF UNION AND BUDGET MESSAGE TO CONGRESS

Washington, Jan. 21 -- Following are excerpts from President Truman's combined message on the State of the Union and transmitting the budget sent to Congress today:

A quarter of a century ago the Congress decided that it could no longer consider the financial programs of the various departments on a piecemeal basis. Instead it has called on the President to present a comprehensive executive budget. The Congress has shown its satisfaction with that method by extending the budget system and tightening its controls. The bigger and more complex the federal program, the more necessary it is for the Chief Executive to submit a single budget for action by the Congress. At the same time, it is clear that the budgetary program and the general program of the government are actually inseparable. The President bears the responsibility for recommending to Congress a comprehensive set of proposals on all government activities and their financing.

In formulating policies, as in preparing budgetary estimates, the nation and the Congress have the right to expect the President to adjust and coordinate the views of the various departments and agencies to form a unified program. And that program requires consideration in connection with the budget, which is the annual work program of the government.

Since our programs for this period, which combine war liquidation with reconversion to a peacetime economy, are inevitably large and numerous, it is imperative that they be planned and executed with the utmost economy and the utmost efficiency. We have cut the war program to the maximum extent consistent with national security. We have held our peacetime programs to the level necessary to our national well-being and the attainment of our postwar objectives. Where increased programs have been recommended, the increases have been held as low as is consistent with these goals. I can assure the Congress of the necessity of these programs. I can further assure the Congress that the program as a whole is well within our capacity to finance it. All the programs I have recommended for action are included in the budget figures.

For these reasons I have chosen to combine the customary message on the State of the Union with the annual budget message, and to include in the budget not only estimates for functions authorized by the Congress, but also for those which I recommend for its action.

I am also transmitting herewith the fifth quarterly report of the Director of War Mobilization and Reconversion. It is a comprehensive discussion of the present state of the reconversion program and of the immediate and long-range

needs and . . .

needs and recommendations.

This constitutes, then, as complete a report as I find it possible to prepare now. It constitutes a program of government in relation to the nation's needs. With the growing responsibility of modern government to foster economic expansion and to promote conditions that assure full and steady employment opportunities, it has become necessary to formulate and determine the government program in the light of national economic conditions as a whole. In both the executive and the legislative branches we must make arrangements which will permit us to formulate the government program in that light.

Assurance To Business, Labor, Agriculture

Such an approach has become imperative if the American political and economic system is to succeed under the conditions of economic instability and uncertainty which we have to face. The government needs to assure business, labor, and agriculture that government policies will take due account of the requirements of a full employment economy. The lack of that assurance would, I believe, aggravate the economic instability.

With the passage of a full employment bill which I confidently anticipate for the very near future, the executive and legislative branches of government will be empowered to devote their best talents and resources in subsequent years to preparing and acting on such a program.

In his last message on the State of the Union, delivered one year ago, President Roosevelt said: "This new year of 1945 can be the greatest year of achievement in human history. 1945 can see the ending of the Nazi fascist reign of terror in Europe. 1945 can see the closing in of the forces of retribution about the center of the malignant power of imperialistic Japan. Most important of all, 1945 can and must see the substantial beginning of the organization of world peace."

All those hopes, and more, were fulfilled in the year 1945. It was the greatest year of achievement in human history. It saw the end of the Nazi fascist terror in Europe, and also the end of the malignant power of Japan. And it saw the substantial beginning of a world organization for peace. These momentous events became realities because of the steadfast purpose of the United Nations and of the forces that fought for freedom under their flags. The plain fact is that civilization was saved in 1945 by the United Nations.

Our own part in this accomplishment was not the product of any single service. Those who fought on land, those who fought on the sea, and those who fought in the air deserve equal credit. They were supported by other millions in the armed forces who, through no fault of their own, could not go overseas and who rendered indispensable service in this country. They were supported by millions in all levels of government, including many volunteers, whose devoted public service furnished basic organization and leadership. They were also supported by the millions of Americans in private life -- men and women in industry, in commerce, on the farms and in all manner of activity on the home front -- who contributed their brains and their brawn in arming, equipping and feeding them. The country was brought through four years of peril by an effort that was truly national in character.

Everlasting tribute and gratitude will be paid by all Americans to those brave men who did not come back, who will never come back -- the 330,000 who died

that the nation might live and progress. All Americans will also remain deeply conscious of the obligation owed to that larger number of soldiers, sailors and Marines who suffered wounds and sickness in their service. They may be certain that their sacrifices will never be forgotten or their needs neglected.

Record of Achievement

The beginning of the year 1946 finds the United States strong and deservedly confident. We have a record of enormous achievements as a democratic society in solving problems and meeting opportunities as they developed. We find ourselves possessed of immeasurable advantages -- vast and varied natural resources; great plants, institutions, and other facilities; unsurpassed technological and managerial skills; an alert, resourceful and able citizenry.

We have in the United States government rich resources in information, perspective and facilities for doing whatever may be found necessary to do in giving support and form to the widespread and diversified efforts of all our people.

And for the immediate future the business prospects are generally so favorable that there is danger of such feverish and opportunistic activity that our grave postwar problems may be neglected. We need to act now with full regard for pitfalls; we need to act with foresight and balance. We should not be ruled by the immediate alluring prospects into forgetting the fundamental complexity of modern affairs, the catastrophe that can come in this complexity or the values that can be wrested from it. But the long-range difficulties we face should no more lead to despair than our immediate business prospects should lead to the optimism which comes from the present short-range prospect. On the foundation of our victory we can build a lasting peace, with greater freedom and security for mankind in our country and throughout the world. We will more certainly do this if we are constantly aware of the fact that we face crucial issues and prepare now to meet them.

To achieve success will require both boldness in setting our heights and caution in steering our way on an uncharted course. But we have no luxury of choice, we must move ahead. No return to the past is possible.

Our nation has always been a land of great opportunities for those people of the world who sought to become part of us. Now we have to become a land of great responsibilities to all the people of all the world. We must squarely recognize and face the fact of those responsibilities. Advances in science, in communication, in transportation, have compressed the world into a community. The economic and political health of each member of the world community bears directly on the economic and political health of each other member.

New Era In International Relations

The evolution of centuries has brought us to a new era in world history in which the manifold relationships between nations must be formalized and developed in new and intricate ways. The United Nations Organization now being established represents a minimum essential beginning. It must be developed rapidly and steadily. Its work must be amplified to fill in the whole pattern that has been outlined. Economic collaboration, for example, already in the charter now, must be carried on as carefully and as comprehensively as the political and security measures.

It is

It is important that all nations come together as states in the Assembly and in the Security Council and in the other specialized assemblies and councils that have been and will be arranged. But this is not enough. Our ultimate security requires more than a process of consultation and compromise. It requires that we begin now to develop the United Nations Organization as the representative of the world as one society. The United Nations Organization, if we have the will adequately to staff it and to make it work as it should, will provide a great voice to speak constantly and responsibly in terms of world collaboration and world well-being.

There are many new responsibilities for us as we enter into this new international era. The whole power and will and wisdom of our government and of our people should be focused to contribute to and to influence international action. It is intricate, continuing business. Many concessions and adjustments will be required. The spectacular progress of science in recent years makes these necessities more vivid and urgent. That progress has speeded internal development and has changed world relationships so fast that we must realize the fact of a new era. It is an era in which affairs have become complex and rich in promise. Delicate and intricate relationships, involving us all in countless ways, must be carefully considered.

On the domestic scene, as well as on the international scene, we must lay a new and better foundation for cooperation. We face a great peacetime venture; the challenging venture of a free enterprise economy making full and effective use of its rich resources and technical advances. This is a venture in which business, agriculture and labor have vastly greater opportunities than heretofore. But they all also have vastly greater responsibilities.

Full Utilization of Resources

We will not measure up to those responsibilities by the simple return to "normalcy" that was tried after the last war. The general objective, on the contrary, is to move forward to find the way in time of peace to the full utilization and development of our physical and human resources that were demonstrated so effectively in the war by the United Nations Organization as the representative of the world as one society. The United Nations Organization, if to have its full accomplishment, it is not intended that the federal government should do things that can be done as well for the nation by private enterprise, or by state and local governments. On the contrary, the war has demonstrated how effectively we can organize our productive system and develop the potential abilities of our people by aiding the efforts of private enterprise in an international era. The whole power and will and wisdom of our government and of our people as we move toward one common objective, there will be many and urgent problems to meet, continuing business. Many concessions and adjustments will be required. The spectacular progress of science in recent years makes these necessities more vivid and urgent. That progress has speeded internal development and has changed world relationships so fast that we must realize the fact of a new era. It is an era in which affairs have become complex and rich in promise. Delicate and intricate relationships, involving us all in countless ways, must be carefully considered.

Private capital and private management are entitled to adequate reward for efficiency, but business must recognize that its reward results from the employment of the resources of the nation. Business is a public trust and must adhere to national standards in the conduct of its affairs. These standards include as a minimum the establishment of fair wages and fair employment practices, which business, agriculture and labor have vastly greater opportunities than heretofore. But they all also have vastly greater responsibilities. Labor also . . .

Labor also has its own new peacetime responsibilities. Under our collective bargaining system, which must become progressively more secure, labor attains increasing political as well as economic power and this, as with all power, means increased responsibility.

The lives of millions of veterans and war workers will be greatly affected by the success or failure of our program of war liquidation and reconversion. Their transition to peacetime pursuits will be determined by our efforts to break the bottlenecks in key items of production, to make surplus property immediately available where it is needed, to maintain an effective national employment service and many other reconversion policies. Our obligations to the people who won the war will not be paid if we fail to prevent inflation and to maintain employment opportunities.

While our peacetime prosperity will be based on the private enterprise system, government can and must assist in many ways. It is the government's responsibility to see that our economic system remains competitive, that new businesses have adequate opportunities and that our national resources are restored and improved. Government must realize the effect of its operations on the whole economy. It is the responsibility of government to gear its total program to the achievement of full production and full employment.

Our basic objective -- toward which all others lead -- is to improve the welfare of the American people. In addition to economic prosperity this means that we need social security in the fullest sense of the term; the people must be protected from the fear of want during old age, sickness and unemployment. Opportunities for a good education and adequate medical care must be generally available. Every family should have a decent home.

The new economic bill of rights to which I have referred on previous occasions is a charter of economic freedom which seeks to assure that all who will may work toward their own security and the general advancement; that we become a well-housed people, a well-nourished people and educated people, a people socially and economically secure, an alert and responsible people. These and other problems which may face us can be met by the cooperation of all of us in furthering a positive and well-balanced government program -- a program which will further national and international well-being.

U.S. Foreign Policy

The year 1945 brought with it the final defeat of our enemies. There lies before us now the work of building a just and enduring peace. Our most immediate task toward that end is to deprive our enemies completely and forever of their power to start another war. Of even greater importance to the preservation of international peace is the need to preserve the wartime agreement of the United Nations and to direct it into the ways of peace. Long before our enemies surrendered, the foundations had been laid on which to continue this unity in the peace to come. The Atlantic meeting in 1941 and the conferences at Casablanca, Quebec, Moscow, Cairo, Teheran, and Dumbarton Oaks each added tone to the structure.

In 1945 at Yalta, the three major powers broadened and solidified this base of understanding. There fundamental decisions were reached concerning the occupation and control of Germany. There also a formula was arrived at for the interim government of the areas in Europe which were rapidly being wrested from Nazi control. This formula was based on the policy of the United States that people be permitted to choose their own form of government by their own freely expressed

choice without . . .

choice without interference from any foreign power.

At Potsdam, in July 1945, Marshal Stalin, Prime Ministers Churchill and Attlee and I met to exchange views primarily with respect to Germany. As a result, agreements were reached which outlined broadly the policy to be executed by the Allied Control Council. At Potsdam there was also established a Council of Foreign Ministers which convened for the first time in London in September. The Council is about to resume its primary assignment of drawing up treaties of peace with Italy, Rumania, Bulgaria, Hungary and Finland.

In addition to these meetings and in accordance with the agreement at Yalta, the foreign ministers of Great Britain, the Soviet Union and the United States conferred together in San Francisco last spring, in Potsdam in July, in London in September and in Moscow in December. These meetings have been useful in promoting understanding and agreement among the three governments.

Simply to name the international meetings and conferences is to suggest the size and complexity of the undertaking to prevent international war in which the United States has now enlisted for the duration of history. It is encouraging to learn that the common effort of the United Nations to learn to live together did not cease with the surrender of our enemies. When difficulties arise among us, the United States does not propose to remove them by sacrificing its ideals or its vital interests. Neither do we propose, however, to ignore the ideals and vital interests of our friends.

Inter-American Security Provision

Last February and March an Inter-American Conference on problems of war and peace was held in Mexico City. Among the many significant accomplishments of that conference was an undertaking that an act of aggression by any country against any one of the sovereign American republics would be considered an act of aggression against all of them and that if such an attack were made or threatened the American republics would decide jointly, through consultations in which each republic has equal representation, what measures they would take for their mutual protection. This agreement stipulates that its execution shall be in full accord with the charter of the United Nations Organization.

The first meeting of the General Assembly of the United Nations now in progress in London marks the reality of our bold adventure toward the preservation of world peace to which is bound the dearest hope of men.

We have solemnly dedicated ourselves and all our will to the success of the United Nations Organization. For this reason we have sought to insure that in the peacemaking the smaller nations will have a voice.

The agreement reached at Moscow last month preserves this opportunity in the making of peace with Italy, Rumania, Bulgaria, Hungary and Finland. The United States intends to preserve it when the treaties with Germany and Japan are drawn. It will be the continuing policy of the United States to use all its influence to foster support for and development of the United Nations Organization in its purpose of preventing international war. If peace is to endure it must rest upon justice, no less than upon power.

Last November Prime Minister Attlee, Prime Minister Mackenzie King and I announced our proposal that a commission be established within the framework of the United Nations to explore the problems of effective international control of

atomic energy.

atomic energy. The Soviet Union, France and China have joined us in the purpose of introducing in the General Assembly a resolution for the establishment of such a commission. Our earnest wish is that the work of this commission will go forward carefully and thoroughly but with the greatest dispatch.

I have great hopes for the development of mutually effective safeguards which will permit the fullest international control of this new atomic force. I believe it possible that effective means can be developed through the United Nations Organization to prohibit, outlaw and prevent the use of atomic energy for destructive purposes.

The power which the United States demonstrated during the war is the fact that underlies every phase of our relations with other countries. We cannot escape the responsibility which it thrusts upon us. What we think, plan, say and do is of profound significance to the future of every corner of the world. The great and dominant objective of United States foreign policy is to build and preserve a just peace. The peace we seek is not peace for 20 years. It is permanent peace. At a time when massive changes are occurring with lightning speed throughout the world, it is often difficult to perceive how this central objective is best served in one isolated complex situation or another. Despite this very real difficulty, there are certain basic propositions to which the United States adheres and to which we shall continue to adhere.

One proposition is that lasting peace requires genuine understanding and active cooperation among the most powerful nations. Another is that even the support of the strongest nations cannot guarantee a peace unless it is infused with the quality of justice for all nations.

12-Point Foreign Policy

On October 27, 1945, I made, in New York City, the following public statement of my understanding of the fundamental foreign policy of the United States. I believe that policy to be in accord with the opinion of the Congress and of the people of the United States. I believe that that policy carries out our fundamental objectives.

First -- We seek no territorial expansion or selfish advantage. We have no plans for aggression against any other state, large or small. We have no objective which need clash with the peaceful aims of any other nation.

Second -- We believe in the eventual return of sovereign rights and self-government to all peoples who have been deprived of them by force.

Third -- We shall approve no territorial changes in any friendly part of the world unless they accord with the freely expressed wishes of the people concerned.

Fourth -- We believe that all peoples who are prepared for self-government should be permitted to choose their own form of government by their own freely expressed choice, without interference from any foreign source. That is true in Europe, in Asia, in Africa, as well as in the Western Hemisphere.

Fifth -- By the combined and cooperative action of our war allies, we shall help the defeated enemy states establish peaceful democratic governments of their own free choice. And we shall try to attain a world in which Nazism, fascism and military aggression cannot exist.

Sixth -- ...

Sixth -- We shall refuse to recognize any government imposed upon any nation by force of any foreign power. In some cases it may be impossible to prevent forceful imposition of such a government. But the United States will not recognize any such government.

Seventh -- We believe that all nations should have the freedom of the seas and equal rights to the navigation of boundary rivers and waterways and of rivers and waterways which pass through more than one country.

Eighth -- We believe that all states which are accepted in the society of nations should have access on equal terms to the trade and raw materials of the world.

Ninth -- We believe that the sovereign states of the Western Hemisphere, without interference from outside the Western Hemisphere, must work together as good neighbors in the solution of their common problems.

Tenth -- We believe that full economic collaboration between all nations, great and small, is essential to the improvement of living conditions all over the world, and to the establishment of freedom from fear and freedom from want.

Eleventh -- We shall continue to strive to promote freedom of expression and freedom of religion throughout the peace-loving areas of the world.

Twelfth -- We are convinced that the preservation of peace between nations requires a United Nations Organization composed of all the peace-loving nations of the world who are willing jointly to use force, if necessary, to insure peace.

That is our foreign policy.

We may not always fully succeed in our objectives. There may be instances where the attainment of those objectives is delayed. But we will not give our full sanction and approval to actions which fly in the face of these ideals.

Problems of Germany and Japan

The world has a great stake in the political and economic future of Germany. The Allied Control Council has now been in operation there for a substantial period of time. It has not met with unqualified success. The accommodation of the varying views of four governments in the day-to-day civil administration of occupied territory is a challenging task. In my judgement, however, the Council has made encouraging progress in the face of most serious difficulties. It is my purpose, at the earliest practicable date, to transfer from military to civilian personnel the execution of United States participation in the government of occupied territory in Europe. We are determined that effective control shall be maintained in Germany until we are satisfied that the German people have regained the right to a place of honor and respect.

On the other side of the world, a method of international cooperation has recently been agreed upon for the treatment of Japan. In this pattern of control, the United States, with the full approval of its partners, has retained primary authority and primary responsibility. It will continue to do so until the Japanese people, by their own freely expressed choice, choose their own form of government.

Policy Toward China

Our basic policy in the Far East is to encourage the development of a strong,

independent, united and democratic China. That has been the traditional policy of the United States.

At Moscow the United States, the Union of Soviet Socialist Republics and Great Britain agreed to further this development by supporting the efforts of the national government and non-governmental Chinese political elements in bringing about cessation of civil strife and in broadening the basis of representation in the government. That is the policy which General Marshall is so ably executing today.

It is the purpose of the government of the United States to proceed as rapidly as is practicable toward the restoration of the sovereignty of Korea and the establishment of a democratic sovereignty by the free choice of the people of Korea.

At the threshold of every problem which confronts us today in international affairs is the appalling devastation, hunger, sickness and pervasive human misery that mark so many areas of the world. By joining and participating in the work of UNRRA the United States has directly recognized and assumed an obligation to give such relief assurance as is practicable to millions of innocent and helpless victims of the war. The Congress has earned the gratitude of the world by generous financial contributions to the United Nations Relief and Rehabilitation Administration.

We have taken the lead, modest though it is, in facilitating under our existing immigration quotas the admission to the United States of refugees and displaced persons from Europe.

We have joined with Great Britain in the organization of a commission to study the problems of Palestine. The commission is already at work and its recommendations will be made at an early date.

The members of the United Nations have paid us the high compliment of choosing the United States as the site of the United Nations headquarters. We shall be host in spirit as well as in fact, for nowhere does there abide a firmer determination that this peace shall live than in the hearts of the American people. It is the hope of all Americans that in time future historians will speak not of World War One and World War Two, but of the first and last world wars.

Foreign Economic Policy

The foreign economic policy of the United States is designed to promote our own prosperity and at the same time to aid in the restoration and expansion of world markets and to contribute thereby to world peace and world security. We shall continue our efforts to provide relief from the devastation of war, to alleviate the sufferings of displaced persons, to assist in reconstruction and development, and to promote the expansion of world trade.

We have already joined the International Monetary Fund and the International Bank for Reconstruction and Development. We have expanded the Export-Import Bank and provided it with additional capital. The Congress has renewed the Trade Agreements Act which provides the necessary framework within which to negotiate a reduction of trade barriers on a reciprocal basis. It has given our support to the United Nations Relief and Rehabilitation Administration.

In accordance with the intentions of the Congress, lend-lease, except as to continuing military lend-lease in China, was terminated upon the surrender of

Japan. . . .

Japan. The first of the lend-lease settlement agreements has been completed with the United Kingdom. Negotiations with other lend-lease countries are in progress. In negotiating these agreements, we intend to seek avenues which will not encumber world trade through war debts of a character that proved to be so detrimental to the stability of the world economy after the last war.

We have taken steps to dispose of the goods which on V-J Day were in the lend-lease pipe line to the various lend-lease countries and to allow them long-term credit for the purpose where necessary. We are also making arrangements under which those countries may buy lend-lease inventories in their possession and acquire surplus property abroad to assist in their economic rehabilitation and reconstruction. These goods will be accounted for at fair values.

The proposed loan to the United Kingdom, which I shall recommend to the Congress in a separate message, will enable the United Kingdom to avoid discriminatory trade arrangements of the type which destroyed freedom of trade during the nineteen thirties. I consider the progress toward multilateral trade which will be achieved by this agreement to be in itself sufficient warrant for the credit. The view of this government is that, in the longer run, our economic prosperity and the prosperity of the whole world are best served by the elimination of artificial barriers to international trade in the form of unreasonable tariffs or tariff preferences or commercial quotas or embargoes or the restricting practices of cartels.

The United States government has issued proposals for the expansion of world trade and employment, to which the government of the United Kingdom has given its support on every important issue. These proposals are intended to form the basis for a Trade and Employment Conference to be held in the middle of this year. If that conference is a success, I am confident that the way will have been prepared for expanded and prosperous world trade.

We shall also continue negotiations looking to the full and suitable development of facilities for transportation and communications among nations.

The vast majority of the nations of the world have chosen to work together to achieve, on a cooperative basis, world security and world prosperity. The effort cannot succeed without the full cooperation of the United States. To play our part, we must not only resolutely carry out the foreign policies we have adopted but also follow a domestic policy which will maintain full production and employment in the United States. A serious depression here, may disrupt the whole fabric of world economy.

Occupied Countries

The major tasks of our military establishment in Europe following V-E Day, and in the Pacific since the surrender of Japan, have been those of occupation and military government. In addition, we have given much needed aid to the peoples of the liberated countries. The end of the war in Europe found Germany in a chaotic condition. Organized government had ceased to exist, transportation systems had been wrecked, cities and industrial facilities had been bombed into ruins.

In addition to the tasks of occupation we had to assume all the functions of government. Great progress has been made in the repatriation of displaced

persons and . . .

persons and of prisoners of war. Of the total of 3,500,000 displaced persons found in the United States zone only 460,000 are now remaining.

The extensive complications involved by the requirement of dealing with three other governments engaged in occupation and with the governments of the liberated countries require intensive work and energetic cooperation. The influx of some two million German refugees into our zone of occupation is a pressing problem, making exacting demands upon an already overstrained international economy. Improvements in the European economy during 1945 have made it possible for our military authorities to relinquish to the governments of all liberated areas, or to the United Nations Relief and Rehabilitation Administration, the responsibility for the provision of other civilian relief supplies. The Army's responsibilities in Europe extend now only to our zones of occupation in Germany and Austria and to two small areas in northern Italy.

By contrast with Germany, in Japan we have occupied a country still possessing an organized and operating governmental system. Although severely damaged, the Japanese industrial and transportation systems have been able to insure at least a survival existence for the population. The repatriation of Japanese military and civilian personnel from overseas is proceeding as rapidly as shipping and other means permit.

In order to insure that neither Germany nor Japan will again be in a position to wage aggressive warfare, the armament-making potential of these countries is being dismantled and fundamental changes in their social and political structures are being expedited. Democratic systems are being fostered to the end that the voice of the common man may be heard in the councils of his government.

For the first time in history the legal capability of war makers is being determined. The trials now in progress in Nuremberg -- and those soon to begin in Tokyo -- bring before the bar of international justice those individuals who are charged with the responsibility for the sufferings of the past six years. We have high hope that this public portrayal of the guilt of these evil-doers will bring wholesale and permanent revulsion on the part of the masses of our former enemies against war, militarism, aggression, and notions of race superiority.

Demobilization of U.S. Armed Forces

The cessation of active campaigning does not mean that we can completely disband our fighting forces. For their sake and for the sake of their loved ones at home I wish that we could. But we still have the task of clinching the victories we have won -- of making certain that Germany and Japan can never again wage aggressive warfare, that they will not again have the means to bring on another world war. The performance of that task requires that, together with our Allies, we occupy the hostile areas, complete the disarmament of our enemies, and take the necessary measures to see to it that they do not rearm.

As quickly as possible, we are bringing about the reduction of our armed services to the size required for these tasks of occupation and disarmament. The Army and the Navy are following both length of service and point systems as far as possible in releasing men and women from the services. The points are based chiefly on length and character of service and on the existence of dependents.

Over five million from the Army have already passed through the separation centers. The Navy, including the Marine Corps and the Coast Guards, have released over one and a half million.

Of the . . .

Of the twelve million men and women serving in the Army and Navy at the time of the surrender of Germany, one-half have already been released. The greater part of these had to be brought back to this country from distant parts of the world. Of course, there are cases of individual hardships in retention of personnel in the service. There will be in the future. No system of such size can operate to perfection. But the systems are founded on fairness and justice, and they are working at full speed. We shall try to avoid mistakes, injustices and hardships-- as far as is humanly possible.

We have already reached the point where shipping is no longer the bottleneck in the return of troops from the European theater. The governing factor now has become the requirement for troops in sufficient strength to carry out their mission. In a few months the same situation will exist in the Pacific. By the end of June, nine out of ten who were serving in the armed forces on V-E Day will have been released. Demobilization will continue thereafter, but at a lower rate determined by our military responsibilities.

Our national safety and the security of the world will require substantial armed forces, particularly in overseas service. At the same time it is imperative that we relieve those who have already done their duty, and that we relieve them as fast as we can. To do that, the Army and the Navy are conducting recruiting drives with considerable success. The Army has obtained nearly 400,000 volunteers in the past four months, and the Navy has obtained 80,000. Eight per cent of these volunteers for the regular service have come from those already with colors.

DOMESTIC . . .

DOMESTIC AFFAIRS

Economic Outlook

Prophets of doom predicted that the United States could not escape runaway inflation during the war and economic collapse after the war. These predictions have not been borne out. On the contrary, the record of economic stabilization during the war and during the period of reconversion has been an outstanding accomplishment. We know, however, that nothing is as dangerous as overconfidence, in war or in peace. We have had to fight hard to hold the line. We have made strenuous efforts to speed reconversion. But neither the danger of postwar inflation nor of subsequent collapse in production and employment is yet overcome. We must base our policies not on unreasoning optimism or pessimism but upon a candid recognition of our objectives and upon a careful analysis of foreseeable trends.

Any precise appraisal of the economic outlook at this time is particularly difficult. The period of demobilization and reconversion is fraught with uncertainties. There are also serious gaps in our statistical information. Certain tendencies are, however, fairly clear and recognition of them should serve as a background for consideration of next year's federal program. In general, the outlook for business is good, and it is likely to continue to be good -- provided we control inflation and achieve peace in management-labor relations.

Civilian production and employment can be expected to increase throughout the next year. This does not mean, however, that continuing full employment is assured. It is probable that demobilization of the armed forces will proceed faster than the increase in civilian employment opportunities. Even if substantial further withdrawals from the labor market occur, unemployment will increase temporarily. The extent to which this unemployment will persist depends largely on the speed of industrial expansion and the effectiveness of the policies of the federal government.

Along with extraordinary demand there are still at this time many critical shortages resulting from war. These extraordinary demands and shortages may lead to a speculative boom, especially in the price of securities, real estate, and inventories. Therefore, our chief worry still is inflation.

General Policies -- Immediate and Long Range

During the war, production for civilian use was limited by war needs and the available manpower. Economic stabilization required measures to spread supplies equitably by rationing, price controls, increased taxes, saving bond campaigns, and credit control. Now, with the surrender of our enemies, economic stabilization requires that policies be directed toward promoting an increase in supplies at low unit prices. We must encourage the development of resources and enterprises in all parts of the country, particularly in the underdeveloped areas. For example, the establishment of new peacetime industries in the western states and in the south would, in my judgment, add to the existing production and markets rather than merely bring about a shifting of production. I am asking the Secretaries of Agriculture, Commerce, and Labor to explore jointly the methods for stimulating new industries, particularly in areas with surplus agricultural labor.

We must also aid small businessmen and particularly veterans who are

competent to start their own businesses. The establishment and development of efficient small business ventures, I believe, will not take away from, but rather will add to, the total business of all enterprises.

While we are meeting these immediate needs we must look forward to a long range program of security and increased standard of living. The most serious difficulty in the path of reconversion and expansion is the establishment of a fair wage structure. The ability of labor and management to work together, and the wage and price policies which they try to develop, are social and economic issues of the first importance. Better human relationships are an urgent need to which organized labor and management should address themselves. No government policy can make men understand each other, agree, and get along unless they conduct themselves in a way to foster mutual respect and good will. Government can, however, help to develop the machinery which, with the backing of public opinion, will assist labor and management to resolve their disagreements in a peaceful manner and reduce the number and duration of strikes.

All of us realize that productivity -- increased output per man -- is in the long run the basis of our standard of living. Management especially must realize that if labor is to work wholeheartedly for an increase in production, the workers must be given a just share of the increased output in higher wages. Most industries and most companies have adequate profits within which to grant substantial wage increases. These increases will have a direct effect in increasing consumer demand to the high levels needed. Substantial wage increases are good business for business because they assure a larger market for their products; substantial wage increases are good business for labor because they increase labor's standard of living; substantial wage increases are good business for the country as a whole because capacity production means an active, healthy, friendly citizenry enjoying the benefits of democracy under our free enterprise system.

Everyone who realizes the extreme need for a swift and orderly reconversion must feel a deep concern about the number of major strikes now in progress. If long continued, these strikes could put a heavy brake on our program. I have already made recommendations to Congress as to the procedure best adapted to meeting threats of work stoppages in nationwide industries without sacrificing the fundamental rights of labor to bargain collectively and ultimately to strike in support of their position.

If we manage our economy properly, the future will see us on a level of production half again as high as anything we have ever accomplished in peacetime. Business can in the future pay higher wages and sell for lower prices than ever before. This is not true now for all companies, nor will it ever be true for all, but for business generally it is true. We are relying on all concerned to develop through collective bargaining, wage structures that are fair to labor, allow for necessary business incentives, and conform with a policy designed to "hold the line" on prices.

If we take the right steps in time we can certainly avoid disastrous excesses of runaway booms and headlong depressions. We must not let a year or two of prosperity lull us into a false feeling of security and repetition of the mistake of 1920's that culminated in the crash of 1929. During the year ahead government will be called upon to act in many important fields of economic policy, from taxation and foreign trade to social security and housing. In every case there will be alternatives. We must choose the alternatives which will best measure

measure up to our need for maintaining full production and employment in the future. We must never lose sight of our long-term objectives: the broadening of markets and the maintenance of a steadily rising demand. This demand can come from only three sources: consumers, business, or government.

In this country the job of production and distribution is in the hands of businessmen, farmers, workers and professional people -- in the hands of our citizens. We want to keep it that way. However, it is the government's responsibility to help business, labor and farmers do their jobs. There is no question in my mind that the government, acting on behalf of all the people, must assume ultimate responsibility for the economic health of the nation. There is no other agency that can. No other organization has the scope or the authority, nor is any other agency accountable to all the people. This does not mean that the government has the sole responsibility, nor that it can do the job alone, nor that it can do the job directly.

All the policies of the federal government must be geared to the objective of sustained full production and full employment -- to raise consumer purchasing power and to encourage business investment. The programs we adopt this year and from now on will determine our ability to achieve our objectives. We must continue to pay particular attention to our fiscal, monetary and tax policy, programs to aid business -- especially small business -- and transportation, labor-management relations and wage-price policy, social security and health, education, the farm program, public works, housing and resource development and foreign economic policy.

For example, the kind of tax measures we have at different times -- whether we raise our revenue in a way to encourage consumer spending and business investment or to discourage it -- have a vital bearing on this question. It is affected also by regulations on consumers and the kind of interest on government securities. It is affected by almost every step we take.

In short, the way we handle the proper functions of government, the way we time the exercise of our traditional and legitimate governmental functions, has a vital bearing on the economic health of the nation.

Legislation Recommended and still Pending

To attain some of these objectives and to meet the other needs of the United States in the reconversion and postwar period, I have from time to time made various recommendations to the Congress. I here reiterate some of them. I urge upon the Congress early consideration of them.

1. Legislation to authorize the President to create fact-finding boards for the prevention of stoppages of work in nation-wide industries after collective bargaining and conciliation and voluntary arbitration have failed.
2. A satisfactory full employment bill, such as the Senate bill now in conference.
3. Legislation to supplement the unemployment insurance benefits now provided by the different states.
4. Adoption of a permanent Fair Employment Practices Act.
5. Legislation substantially raising the amount of minimum wages.

6. Legislation providing for a comprehensive program for scientific research.
 7. Legislation enacting a health and medical care program.
 8. Legislation adopting the program of universal training.
 9. Legislation providing an adequate salary scale for all government employees.
 10. Legislation making provision for succession to the presidency.
 11. Legislation for the unification of the armed services.
 12. Legislation for the domestic use and control of atomic energy.
 13. Retention of the United States Employment Service at least up to June 30, 1947.
 14. Legislation to increase unemployment allowances for veterans.
 15. Social Security coverage for veterans for their period of military service.
 16. Extension of crop insurance.
 17. Legislation permitting the sales of ships by the Maritime Commission at home and abroad.
- I further recommend that this legislation include adequate authority for chartering vessels both here and abroad.
18. Legislation to take care of the stock piling of materials in which the United States is naturally deficient.
 19. Enactment of federal airport legislation.
 20. Legislation repealing the Johnson Act on foreign loans.
 21. Legislation for the development of the Great Lakes -- the St. Lawrence River basin.

Extension of Price Control Act

Today inflation is our greatest immediate problem. So far the fight against inflation has been waged successfully. It will be impossible to maintain a high purchasing power or an expanding production unless we can keep prices at levels which can be met by the vast majority of our people. Full production is the greatest weapon against inflation, but until we can produce enough goods to meet the threat of inflation the government will have to exercise its wartime control over prices. The present Price Control Act expires June 30, 1946. If we expect to maintain a steady economy we shall have to maintain price and rent controls for many months to come. The inflationary pressure on prices and rents, with relatively few exceptions, is now at an all-time peak. Unless the Price Control Act is renewed there will be no limit to which our price levels would soar. Our country would face national disaster.

Food Subsidies

If the price line is to be held, if our people are to be protected against

the inflationary dangers which confront us, we must do more than extend the Price Control Act. In September we were hopeful that the inflationary pressures would by this time have begun to diminish. We were particularly hopeful on food...

In anticipation of this decline in food prices, it was our belief that food subsidies could be removed gradually during the winter and spring months, and eliminated almost completely by June 30 of this year. It was our feeling that the food subsidies could be dropped without an increase to the consumer in the present level of food prices or in the over-all cost of living. As matters stand today, however, food prices are pressing hard against the ceilings. The expected decline in food prices has not occurred, nor is it likely to occur for many months to come. This brings me to the reluctant conclusion that food subsidies must be continued beyond June 30, 1946...

The legislation continuing the use of food subsidies into the new fiscal year should be tied down specifically to certain standards. A very proper requirement, in my opinion, would be that subsidies be removed as soon as it is indicated that the cost of living will decline below the present levels.

Extension of War Powers Act

The Second War Powers Act has recently been extended by the Congress for six months instead of for a year. It will now expire, unless further extended, on June 30, 1946. This act is the basis for priority and inventory controls governing the use of scarce materials, as well as for other powers essential to orderly reconversion. I think that this administration has given adequate proof of the fact that it desires to eliminate wartime controls as quickly and and as expeditiously as possible. However, we know that there will continue to be shortages of certain materials caused by the war even after June 30, 1946. It is important that businessmen know now that materials in short supply are going to be controlled and distributed fairly as long as these war-born shortages continue.

I, therefore, urge the Congress soon to extend the Second War Powers Act. We cannot afford to wait until just before the act expires next June. To wait would cause the controls to break down in a short time, and would hamper our production and employment program.

Small Business And Competition

The rising birth rate for small business and a favorable environment for its growth are not only economic necessities but also important practical demonstrations of opportunity in a democratic free society. It is obvious that a national policy to foster the sound development of small business is necessary. The government should encourage, and is encouraging, small business initiative and originality to stimulate progress through competition. The work of the Smaller War Plants Corporation is being carried on in peacetime by the Federal Loan Agency and the Department of Commerce. The fundamental approach to the job of encouraging small concerns must be based on:

1. Arrangements for making private and public financial resources available on reasonable terms.
2. Provision of technical advice and assistance to business as a whole on production, research and management problems.

This will help equalize competitive relationships between large and small companies, for many of the small companies cannot afford expensive technical research, accounting and tax advice.

3. Elimination of trade practices and agreements which reduce competition and discriminate against new or small enterprises...

The federal government must protect legitimate business and consumers from predatory and monopolistic practices by the vigilant enforcement of regulatory legislation. The program will be designed to have maximum impact upon monopolistic bottlenecks and unfair competitive practices hindering expansion in employment. During the war, enforcement of anti-monopoly laws was suspended in a number of fields. The government must now take major steps not only to maintain enforcement of anti-trust laws but to encourage new and competing enterprises in every way...

But we must do more than break up trusts and monopolies after they have begun to strangle competition. We must take positive action to foster new, expanding enterprises. By legislation and by administration we must take specific steps to discourage the formation or the strengthening of competition-restricting business. We must have an overall anti-monopoly policy which can be applied by all agencies of the government in exercising the functions assigned to them -- a policy to encourage the formation and growth of new and freely competitive enterprises.

Among the many departments and agencies which have parts in the program affecting business and competition, the Department of Commerce has a particularly important role. That is why I have recommended a substantial increase in appropriations for the next fiscal year for this department. In its assistance to industry, the Department of Commerce will concentrate its efforts on these primary objectives: promotion of a large and well-balanced foreign trade; provision of improved technical assistance and management aids, especially for small enterprises; and strengthening of basic statistics on business operations, both by industries and by regions. It has to make new inventions and discoveries available more promptly to all businesses, small and large, promote research by universities, improve patent office procedures, and develop a greatly expanded system of field offices readily accessible to the businesses they serve.

Many gaps exist in the private financial mechanism, especially in the provision of long term funds for small and medium sized enterprises. In the peacetime economy the Reconstruction Finance Corporation will take the leadership in assuring adequate financing for small enterprises which cannot secure funds from other sources. Most of the funds should and will be provided by private lenders; but the Reconstruction Finance Corporation will share any unusual risks through guarantee of private loans, with direct loans only when private capital is unwilling to participate on a reasonable basis.

Minimum Wage

Full employment and full production may be achieved only by maintaining a level of consumer income far higher than that of the prewar period. A high level of consumer income will maintain the market for the output of our mills, farms, and factories, which we have demonstrated during the war years that we

can produce. ...

can produce. One of the basic steps which Congress can take to establish a high level of consumer income is to amend the Fair Labor Standards Act to raise basic wages to a decent minimum and to extend similar protection to additional workers who are not covered by the present Act.

I am in full accord with the proposal now pending in the Congress that the statutory minimum be raised immediately to 65 cents an hour, with further increases to 70 cents after one year and to 75 cents after two years. I also favor the proposal that the industry committee procedure be used to set rates higher than 65 cents per hour during the two-year interval before the 75 cent basic wage would otherwise become applicable.

I also recommend that minimum wage protection be extended to several groups of workers not now covered. The need for a decent standard of living is by no means limited to those workers who happen to be covered by the Act as it now stands. It is particularly vital at this period of readjustment in the national economy and readjustment in employment of labor to extend minimum wage protection as far as possible. Lifting the basic minimum wage is necessary, it is justified as a matter of simple equity to workers, and it will prove not only feasible but also directly beneficial to the nation's employers.

Agricultural Programs

The demand for farm products will continue strong during the next year or two because domestic purchases will be supplemented by a high level of exports and foreign relief shipments. It is currently estimated that from seven to ten per cent of the total United States food supply may be exported in the calendar year 1946. Farm prices are expected to remain at least at their present levels in the immediate future, and for at least the next 12 months they are expected to yield a net farm income double the 1935-39 average and higher than in any year prior to 1943. Agricultural production goals for 1946 call for a somewhat greater acreage than actually was planned in 1945. For the period immediately ahead we shall still have the problem of supplying enough food if we are to do our part in aiding the war-stricken and starving countries. Some of the food desires of our own people will not be completely satisfied, at least until these nations have had an opportunity to harvest another crop. During the next few months the need for food in the world will be more serious than at any time during the war. And, despite the large shipments we have already made, and despite what we shall send, there remain great needs abroad. To get prices higher than 65 cents per hour during the two-year interval before the 75 cent basic wage. Beyond the relief feeding period, there will still be substantial foreign outlets for our farm commodities. The chief dependence of the farmer, however, as always, must be upon the buying power of our own people. The first obligation of the government to agriculture for the reconversion period is to make good on its price support commitments. This we intend to do, with realistic consideration for the sound patterns of production that will contribute most to the long-term welfare of agriculture and the whole nation. The period during which prices are supported will provide an opportunity for farmers individually to strengthen their position in changing over from a wartime to a peacetime basis of production. It will provide an opportunity for the Congress to review the needs of agriculture and make changes in national legislation where experience has shown changes to be needed. In this connection, the Congress will wish to consider legislation to take the place of the 1937 Sugar Act which expires at the end of this year. During this period we must do a thorough job of basic planning toward a healthy and national economy. Our long-range agricultural policies should have two main objectives: first, to assure the people on the

farms a **fair** share of the national income; and, second, to encourage an agricultural production pattern that is best fitted to the nation's needs.

Development of Resources

The strength of our nation and the welfare of the people rest upon the natural resources of the country. We have learned that proper conservation of our waters will add immensely to our national wealth. The first step in the government's conservation program must be to find out just what are our basic resources, and how they should be used. We need to take as soon as possible, an inventory of the lands, the minerals and the forests of the nation. The rivers of America offer a great opportunity to our generation in the management of the national wealth. By a wise use of federal funds, most of which will be repaid into the treasury, the scourge of floods and droughts can be curbed, water can be brought to arid lands, navigation can be extended, and cheap power can be brought alike to the farms and to the industries of our land.

The Tennessee Valley Authority will resume its peacetime program of promoting full use of the resources of the valley. We shall continue our plans for development of the Missouri Valley, the Arkansas Valley, and the Central Valley of California. Congress has shown itself alive to the practical requirements for beneficial use of our water resources by providing that preference in the sale of power be given to farmers' cooperatives and public agencies. The public power program thus authorized must continue to be made effective by building the necessary generating and transmission facilities to furnish the maximum of power needed at the wholesale markets, which are often distant from the dams. These great development projects will open the frontiers of agriculture, industry and commerce. The employment opportunities thus offered will go far to ease the transition from war to peace.

Public Works

Our public works program should be timed to reach its peak after demand for private construction has begun to taper off. Meanwhile, however, plans should be prepared if we are to act promptly when the present extraordinary private demand begins to run out. The Congress has made money available to federal agencies for their public works planning in the fiscal year 1946. I strongly recommend that this policy be continued and extended in the fiscal year 1947.

State and local governments also have an essential role to play in a national public works program. In my message of September 6, 1945, I recommended that the Congress vote such grants to state and local governments as will insure that each local government makes its proper contribution to a balanced public construction program. Specifically, the federal government should aid state and local governments in planning their own public works program, in undertaking projects related to federal programs of regional development, and in constructing such public works as are necessary to carry out the various policies of the federal government. Our long-run objective is to achieve a program of direct federal and federally assisted public works which is planned in advance and synchronized with business conditions. In this way it can make its great contribution to general economic stability.

National Housing Program

Last September I stated in my message to the Congress that housing was high on the list of matters calling for decisive action. Since then the housing

shortage in countless communities, affecting millions of families, has magnified this call to action. Today we face both an immediate emergency and a major postwar problem. In order to meet as many demands of the emergency situation as possible, a program of emergency measures is now being formulated for action. These will include steps in addition to those already taken...

Legislation now under consideration by the Congress provides for a comprehensive attack jointly by private enterprise, state and local authorities and the federal government. This legislation would make permanent the National Housing Agency and give it authority and funds for much-needed technical and economic research. It would provide additional stimulus for privately financed housing construction...

Where private industry cannot build, the government must step in to do the job...

Social Security And Health

In the field of old age security, there seems to be no adequate reason for excluding such groups as the self-employed, agricultural and domestic workers and employees of non-profit organizations. Since many of these groups earn wages too low to permit significant savings for old age, they are in special need of the assured income that can be provided by old age insurance.

We must take urgent measures for the readjustment period ahead. The Congress for some time has been considering legislation designed to supplement at federal expense, during the immediate reconversion period, compensation payments to the unemployed.

Again I urge the Congress to enact legislation liberalizing unemployment compensation benefits and extending the coverage. Providing for the sustained consumption by the unemployed persons and their families is more than a welfare policy; it is sound economic policy... The need for a program that will give everyone opportunity for medical care is obvious. Nor can there be any serious doubt of the government's responsibility for helping in this human and social problem. The comprehensive health program which I recommended on November 19, 1945, will require substantial additions to the social security system and, in conjunction with other changes that need to be made, will require further consideration of the financial basis for social security...

Even without these proposed major additions, it would not be time to undertake a thorough reconsideration of our social security laws. The structure should be expanded and liberalized. Provision should be made for extending coverage credit to veterans for the period of their service in the armed forces. In the financial provisions we must reconcile the actuarial needs of social security, including health insurance, with the requirements of a revenue system that is designed to promote a high level of consumption and full employment.

Equal Educational Opportunities

It is essential to provide adequate elementary and secondary schools everywhere, and additional educational opportunities for large numbers of people beyond the secondary level. Accordingly, I repeat the proposal of last year's

budget message...

budget message that the federal government provide financial aid to assist the states in assuring more nearly equal opportunities for a good education...

The federal government has not sought, and will not seek, to dominate education in the states. It should continue its historic role of leadership and advice and, for the purpose of equalizing educational opportunity, it should extend further financial support to the cause of education in areas where this is desirable.

Federal Government Personnel

The rapid reconversion of the federal government from war to peace is reflected in the demobilization of its civilian personnel. The number of those employees in continental United States has been reduced by more than 500,000 from the total of approximately 2,900,000 employed in the final months of the war. I expect that by next June we shall have made a further reduction of equal magnitude and that there will be continuing reduction during the next fiscal year. Of the special wartime agencies now remaining, only a few are expected to continue actively into the next fiscal year.

At the same time that we have curtailed the number of employees, we have shortened the work-week by one-sixth or more throughout the government and have restored holidays. The process of readjustment has been complicated and costs have been increased by a heavy turn-over in the remaining personnel -- particularly by the loss of some of our best administrators. Thousands of war veterans have been reinstated or newly employed in the civil service. Many civilians have been transferred from war agencies to their former peacetime agencies. Recruitment standards, which had to be relaxed during the war, are now being tightened.

The elimination last autumn of overtime work for nearly all federal employees meant a sharp cut in their incomes. For salaried workers, the blow was softened but by no means offset by the increased rates of pay which had become effective July 1. Further adjustments to compensate for increased living costs are required. Moreover, we have long needed a general upward revision of federal government salary scales, at all levels in all branches -- legislative, judicial and executive. Too many in the government have had to sacrifice too much in economic advantage to serve the nation.

Adequate salaries will result in economies and improved efficiency in the conduct of government business -- gains that will far outweigh the immediate costs. I hope the Congress will expedite action on salary legislation for all federal employees in all branches of the government. The only exception I would make is in the case of workers whose pay rates are established by wage boards; a blanket adjustment would destroy the system by which their wages are kept aligned with prevailing rates in particular localities. The wage boards should be sensitive now, as they were during the war, to changes in local prevailing wage rates and should make adjustments accordingly.

I hope also that the Congress may see fit to enact legislation for the adequate protection of the health and safety of federal employees, for their coverage under a system of unemployment compensation, and for their return at government expense to their homes after separation from wartime service.

Territories, Insular Possessions, and the District of Columbia

This government is committed to the democratic principle that it is for the

dependent peoples themselves to decide what their status shall be. To this end I asked the Congress last October to provide a means by which the people of Puerto Rico might choose their form of government and status with respect to the United States. I urge, too, that the Congress promptly accede to the wishes of the people of Hawaii that the territory be admitted to statehood in our Union, and that similar action be taken with respect to Alaska as soon as it is certain that this is the desire of the people of that great territory. The people of the Virgin Islands should be given an increasing measure of self-government.

We have already determined that the Philippine Islands are to be independent on July 4, 1946. The ravages of war and enemy occupation, however, have placed a heavy responsibility upon the United States. I urge that the Congress complete as promptly and as generously as may be possible, legislation which will aid economic rehabilitation for the Philippines. This will be not only a just acknowledgment of the loyalty of the people of the Philippines, but it will help to avoid the economic chaos which otherwise will be their heritage from our common war. Perhaps no event in the long centuries of colonialism gives more hope for the pattern of the future than the independence of the Philippine

The District of Columbia, because of its special relation to the federal government, has been treated since 1800 as a dependent area. We should move toward a greater measure of local self-government consistent with the constitutional status of the district. We should take adequate steps to assure that citizens of the United States are not denied their franchise merely because they reside at the nation's capital.

UNITED STATES

UNITED STATES BUDGET

No Increase In National Debt

For the first time since the fiscal year 1930 the budget for the next fiscal year will require no increase in the national debt. Expenditures of all kinds, authorized and recommended, in the next year are estimated at just above 35,800 million dollars. Net receipts are estimated at 31,500 million dollars. The estimated difference of 4,300 million dollars will be met by a reduction in the very substantial balance which will be in the treasury during the next fiscal year. The budget total for the next fiscal year, the year that ends on June 30, 1947, is estimated at just above 35,800 million dollars -- about one-third of the budget for the global war, although nearly four times the prewar budgets. This estimate is based on the assumption that a rapid liquidation of the war program will be associated with rapid reconversion and expansion of peacetime production.

Although allowances for occupation, demobilization and defense are drastically reduced in the fiscal year 1947, they will still amount to 42 per cent of the total budget. So-called "aftermath-of-the-war" expenditures account for a further 30 per cent of the total. The total of all other programs, which was drastically cut during the war, is increasing again as liquidation of the war program proceeds and renewed emphasis is placed on peacetime objectives of the government...

Federal Budget Expenditures and Budget Receipts

For all programs discussed in this message I estimate the total of budget appropriations and authorizations (including reappropriations and permanent appropriations) at 30,982 million dollars for the fiscal year 1947... An estimate 1,740 million dollars will be expended in the fiscal year 1947 for direct federal public works and for loans and grants for public works...

Federal Revenue, Borrowing and the Public Debt

Estimates for the fiscal year 1947 are based on the assumption of generally favorable business conditions but not on an income reflecting full employment and high productivity that we hope to achieve. In future years the present tax system in conjunction with a full employment level of national income, could be expected to yield more than 30,000 million dollars, which is substantially above the anticipated peacetime level of expenditures.

In view of the still extraordinarily large expenditures in the coming year and continuing inflationary pressures, I am making no recommendation for tax reduction at this time... Inflationary pressures still appear dangerously powerful and ill-advised tax reduction would operate to strengthen them still further...

Because of the success of the Victory Loan, I am happy to report that the treasury will not need to borrow any new money from the public during the remainder of the present fiscal year except through regular sales of savings bonds and savings notes. Furthermore, a part of the large cash balance now in the treasury will be used for debt redemption, so that the public debt, which now amounts to about 278,000 million dollars, will decrease by several billion dollars during the next 18 months. The present statutory debt limit of 300,000 million dollars will provide an ample margin for all of public-debt transactions through the fiscal year 1947...

Although the public debt is expected to decline, a substantial volume of re-financing will be required, because of the large volume of maturing obligations. Redemptions of savings bonds also have been running high in recent months and are expected to remain large for some time...

The 275,000-million-dollar debt poses a problem that requires careful consideration in the determination of financial and economic policies. Large though the debt is, it is within our economic capacity. The interest charges on it amounts to but a small proportion of our national income. The government is determined, by a resolute policy of economic stabilization, to protect the interests of the millions of American citizens who have invested in its securities...

War Liquidation And National Defense

The fiscal year 1947 will see a continuance of war liquidation and occupation. During this period we shall also lay the foundation for our peacetime system of national defense. In the fiscal year that ended on June 30, 1945, war expenditures amounted to 90,500 million dollars. For the fiscal year 1946, war expenditures were originally estimated at 70,000 million dollars... During the first six months 32,900 million dollars were spent. It is now estimated that 16,100 million dollars will be spent during the second six months...

For the fiscal year 1947 it is estimated, tentatively, that expenditures for war liquidation, for occupation and for national defense will be reduced to 15,000 million dollars. The War and Navy Departments are expected to spend 13,000 million. Expenditures of other agencies ... and payments to UNRRA are estimated at 3,000 million dollars. Allowing for estimated net receipts of 1,000 million dollars arising from the war activities of the Reconstruction Finance Corporation, the estimated total of war expenditures is 15,000 million dollars. Assuming, somewhat arbitrarily, that about one-half of 15,000 million dollars outlay is for war liquidation, aggregate expenditures for the second world war are now estimated at 347,000 million dollars through June 30, 1947. Of this, about 9,000 million dollars will have been recovered through negotiation and sale of surplus property by June 30, 1947.

At the time of the victory in Europe, about 12,300,000 men and women were in the armed forces; 7,600,000 were overseas. By the end of December 1945 our armed forces had been reduced to below seven million. By June 30, 1946, they will number about 2,900,000... War and Navy Department requirements indicate a strength of about two million in the armed forces a year from now. This is necessary to enable us to do our share in the occupation of enemy territories and in the preservation of peace in a troubled world. Expenditures for pay, subsistence, travel and miscellaneous expenses of the armed forces, excluding mustering-out pay, are estimated at 5,000 million dollars.

By the end of November a total of 301,000 prime contracts involving commitments of 64,000 million dollars had been terminated. Of this total, 67,000 contracts, with commitments of 35,000 million dollars remained to be settled. Termination payments on these contracts are estimated at about 3,500 million dollars...

Munitions, ships, plants, installations and supplies, originally costing 50,000 million dollars or more, will ultimately be declared surplus. Thus far only about 13,000 million dollars of the ultimate surplus, including 5,000 million dollars of unsaleable aircraft, has been declared. Of this amount, 2,300 million

dollars have . . .

dollars have been disposed of, in sales yielding 600 million dollars.

Military expenditures in the current fiscal year include 650 million dollars for civilian supplies for the prevention of starvation and disease in occupied areas. Expenditures on this account will continue in the fiscal year 1947. War expenditures also cover expenses of civilian administration in Europe.

During the war, 15 cents of each dollar of our war expenditures was for lend-lease aid. With lend-lease terminated, I expect the direct operations under this program to be substantially completed in the current fiscal year...

It is imperative that we give all necessary aid within our means to the people who have borne the ravages of war. I estimate that in the fiscal year 1946 expenditures for UNRRA will total 1,300 million dollars and in the following year 1,200 million dollars...

Aftermath-of-War Expenditures

Nearly one-third -- 11,000 million dollars -- of the estimated federal expenditures in the year 1947 will be for purposes that are largely inherited from the war -- payments to veterans, interest on the federal debt and refunds of taxes. "Veterans Pensions and Benefits" has become one of the largest single categories... I am recommending for this purpose total appropriations of 4,787 million dollars for the fiscal year 1947. Expenditures in the fiscal year are estimated, under present legislation, at 4,208 million dollars... The Congress has provided unemployment allowances for veterans... Expenditure of 850 million dollars for this purpose is anticipated for the fiscal year 1947.

allowance
I also recommend increasing veterans' unemployment/allowance from 20 dollars to 25 dollars a week. This would involve additional expenditure estimated at approximately 220 million dollars for the fiscal year.

Included in the 1947 budget is an expenditure of 535 million dollars for veterans' education under provisions of the Servicemen's Readjustment Act. This amount includes both tuition expenses and maintenance allowances. It is expected that half a million veterans will be enrolled in our schools and colleges during the year.

Interest payments on the public debt are estimated at 5,000 million dollars in the fiscal year 1947, an increase of 250 million dollars from the revised estimate for the current fiscal year. This increase reflects chiefly payment of interest on additions to the debt this year. Assuming continuance of the present interest rates, the government's interest bill is now reaching the probable post-war level.

Agricultural Programs

Expenditures by the Department of Agriculture estimated at 784 million dollars from general and special accounts will be required in the fiscal year 1947. This compares with estimated expenditures of 676 million in 1946. These figures exclude expenditures by the Department of Agriculture on account of lend-lease and UNRRA and other war agencies. The expenditure for the fiscal year 1947 is composed of 553 million dollars for "aids to agriculture," 35 million dollars

for general

for general public works, and 196 million dollars for other services of the department.

It is proposed that the loan authorization for the Rural Electrification Administration be increased from 200 million dollars to 250 million dollars. It is my belief that a feasible and practical rural electrification program should be carried forward as soon as possible. This will involve total loans of approximately 1,800 million dollars over the next ten years...

The Congress has already taken steps for the resumption of work on improvement of rivers and harbors and on the construction of new federal-aided highways. Much needed work on airports can begin when the Congress legislation now in conference between the two houses is voted. The federal expenditure estimates for the fiscal year 1947 includes 53 million dollars for new construction in rivers, harbors, and the Panama Canal and 291 million dollars for highways and grade crossing elimination, assuming that the states' expend some 275 million dollars on the federal aid system.

The United States now controls almost two-thirds of the world's merchant shipping, most of it government-owned, compared with little more than one-seventh of the world's tonnage in 1939. This places a heavy responsibility upon the nation to provide for speedy and efficient world commerce as a contribution to the general economic recovery. The estimates for the Maritime Commission and War Shipping Administration provide for the transition of shipping operations from a war to a peace basis; the sale, chartering or lay-up of much of the war-built fleet; and for a program of ship construction of some 84 million dollars in the fiscal year 1947 to round out the merchant fleet for peacetime use...

International Financial Programs

I have already outlined the broad objectives of our foreign economic policy. In the present section I shall indicate federal outlays which execution of these programs may require in the fiscal years 1946 and 1947.

On the termination of lend-lease, the lend-lease countries were required to pay for goods in the lend-lease pipe line either in cash or by borrowing from the United States or by supplying goods and services to the United States. Credits for this purpose have already been extended to the Soviet Union, France, the Netherlands, and Belgium amounting to 675 million dollars. Settlement credit of 650 million dollars to the United Kingdom includes an amount primarily fixed at 113 million dollars which represents the excess of purchases by the United Kingdom from the pipe line over goods and services supplied by the United Kingdom to the United States since V-J Day and the balance of various claims by one government against the other...

To assist other countries in the restoration of their economies the Export-Import Bank has already negotiated loans in the fiscal year 1946 amounting in total to about 1,010 million dollars and an additional 195 million dollars will probably be committed shortly. The Bank is also granting loans to carry out its original purpose of directly expanding the foreign trade of the United States. In this connection the Bank has established a fund of 100 million dollars to finance the export of cotton from the United States.

The Export-Import Bank has thus loaned or committed approximately 1,300

million dollars . . .

million dollars during the current fiscal year and it is expected that demands on its resources will increase in the last six months of the fiscal year 1946. Requests for loans are constantly being received by the Bank from countries desiring to secure goods and services in this country for reconstruction or development of their economies.

On July 31, 1945 the lending authority of the Export-Import Bank was increased to a total of 3,500 million dollars. I anticipate that during the period covered by this budget the Bank will reach this limit. The bulk of expenditures from loans already granted will fall in the fiscal year 1946, while the bulk of expenditures from loans yet to be negotiated will fall in the fiscal year 1947. In view of urgent need for the Bank's credit, I may find it necessary to request a further increase in its lending authority...

I anticipate that net expenditures of the Export-Import Bank and expenditures arising from British credit and the Bretton Woods agreements will amount to 2,614 million dollars, including the non-cash item of 950 million dollars for the (international) fund, in the fiscal year 1946 and 2,754 million dollars in the fiscal year 1947...

President Warns Against Intolerance

We have won a great war -- we, the nations of the plain people who hate war. In the test of that war we found a strength of unity that brought us through -- a strength that crushed the power of those who sought by force to deny our faith in the dignity of man.

During this trial the voices of disunity among us were silent or were subdued to an occasional whine that warned us that they were still among us. Those voices are beginning to cry aloud again. We must learn constantly to turn deaf ears to them. They are the voices which foster fear and suspicion and intolerance and hate. They seek to destroy our harmony, our understanding of each other, our American tradition of "live and let live." They have become busy again, trying to set race against race, creed against creed, farmer against city dweller, worker against employer, the peoples against their own governments. They seek only to do us mischief. They must not prevail...

The plain people of this country found the courage and strength, the self-discipline and mutual respect to fight and to win, with the help of our allies, under God. I doubt if the tasks of the future are more difficult. But if they are, then I say that our strength and our understanding will be equal to those tasks. ---USE

BATTLE FOR PRODUCTION

Snyder Warns of Growing Threat of Inflation

Washington, Jan. 21 -- John W. Snyder, Director of the Office of War Mobilization and Reconversion, publishing today the fifth quarterly OWMR report to Congress (which was transmitted to Congress with President Truman's "State of the Union" message) stated that physical reconversion of the nation's industrial plant was now virtually completed and that the main task now facing the nation is the volume of production.

In his report titled "Battle for Production", Snyder said the total number of unemployed in December was estimated around three million. Peak unemployment, he added, is expected in the early spring. The immediate danger of deflation is consequently less serious than had been expected, said Snyder. Inflation, however, is viewed as a growing threat to the nation's economy. Although the income of Americans, after taxes, had declined by 7,000 million dollars per annum since V-J Day, consumer expenditure had increased by 3,000 million dollars per annum during the same period.

The report urged two safeguards against inflation: extension in the near future of price control authority beyond June 30, 1946, and retention of other necessary controls and continued efforts to speed up production.

Snyder said: "We must smother inflation with a steady stream of goods. We must create jobs our workers and veterans need. This is primarily the task of private enterprise, but government also has unquestionable responsibility for providing business with the proper environment in which to accomplish these ends."

The report divided the postwar period into four phases.

Phase One -- Physical reconversion -- virtually over.

Phase Two -- Getting into volume production -- 1946.

Phase Three -- Catching-up period -- months or years, when temporary or deferred demand and wartime savings will help to maintain production and employment.

Phase Four -- The true postwar period -- in which the country either finds ways of permanently increasing the nation's peacetime level of demands, production and employment or else heads toward another depression.

"The year 1946 will sow the seeds of our future prosperity or future depression," Snyder said.

Highlights of his report follow:

Production: The United States is already producing for its civilian market at a rate of 20,000 million dollars more than it was doing four months ago. The total national production now stands at about 180,000 million dollars, compared with 200,000 million on V-J Day.

The government has four essential responsibilities: first, holding the line on prices; second, maintaining whatever direct controls are necessary to break production bottlenecks; third, helping job seekers find jobs and cushioning

transition unemployment....

transition unemployment by unemployment compensation benefits; fourth, dealing with urgent special problems, such as labor-management relations and housing.

The progress made in converting industrial plant has not yet shown itself in output. Only sufficient consumer goods -- automobiles, refrigerators, washing machines -- have thus far been produced for show window display.

The year of 1946 will be a year of stress and uneven progress. The bulk of American industry will produce at a very high level during 1946, given a fair measure of industrial peace.

In preparing estimates of production prospects for the major industries OWMR made two basic policy assumptions:

First, government planning and coordination of industrial activity was necessary during the war. Now each private concern must take responsibility for its own problems of finance, marketing and production.

Second, government must continue to play its present role of assisting business to recruit labor and break bottlenecks; and, above all, of stabilizing the general level of cost and prices as long as the demand substantially exceeds production and thus continues the threat of inflation.

Following are the estimates of production prospects:

Agriculture: The total food available will be probably greater in 1946 than in 1945. Demand should exceed supply during early 1946 and in some cases longer: for sugar, pork, the better grades of beef and veal, fats and oils, particularly butter, and canned fish.

Total food exports to liberated countries will continue higher, limited by financial considerations and their ability to pay and also limited by our ability to supply. Shipments to these countries were about 10 per cent of the available foodstuffs in the fourth quarter of 1945 and will have to be maintained at or above this level during at least the first half of 1946 in order to alleviate starvation and economic paralysis in the Allied countries.

Food must continue to play a vital part in the reconversion period. American farmers must continue to produce large quantities of food; not only for our own people, but for millions of people in Europe and Asia. We must make sure that this food is produced, processed and transported. And we must make whatever financial arrangements are necessary to insure the liberated people against chaos caused by hunger.

Restrictions on exports are necessary, first, to assure that our country has its fair share of the supply and, second, to assure equitable distribution among foreign countries. It is necessary to share with these nations. The President has said, "If we let Europe go cold and hungry we may lose some of the foundations of order on which hopes for world-wide peace must rest. We must help to the limit of our strength, and we will."

Steel: Production during 1946 will be close to 85 per cent of the present total steel ingot capacity, which is more than 95 million tons. The total steel demand is expected to be approximately equal to production, but shortages are expected to develop during the first months of 1946 in flat rolled steel products. Shortages of sheet and strip steel in certain sizes and gauges should

be eased...

be eased somewhat by April or May. Unless the capacity of the steel industry is expanded it may become a bottleneck, delaying the increase of production to full employment levels. The capacity for certain steel products may be increased by further purchases or lease of government war steel plants.

Aluminum: Ingot capacity is more than double the demand, but shortage of fabricated aluminum may delay production in some industries.

Tin: Consumption of pig tin probably will be limited to three-fourths or two-thirds of the amount which would be used if supplies were available from the Far East. Tin conservation controls will have to be retained throughout the year.

Coal: Production of some 600 million tons for the calendar year 1946, is expected against 610 million tons produced in the coal year of 1944-45.

Construction: Total new construction is expected to exceed seven million dollars in 1946 -- a rise of almost 60 per cent over 1945. Almost 5,500 million dollars of this is expected to be private. This compares with a total construction of 4,500 million dollars in 1945.

Heavy Equipment: Construction machinery, farm machinery, transportation equipment and other capital goods are for the most part being produced at and above prewar levels. Farm machinery production may be increased somewhat over the 1945 production of 650 million dollars. This compares with the 1944 peak of 705 million dollars.

Textiles: Shortages of textiles and apparel are expected during a large part of 1946. Production of cotton fabrics in the first quarter of 1946 should be at an annual rate of between 8,500 million and 9,000 million yards, with expectations for an increase during the end of the year. Consumer demand will probably exceed supply between 20 and 50 per cent.

Rubber: Combined supplies of natural and synthetic rubber are expected to be ample to meet requirements only if conservation measures governing the use of crude rubber are continued. Natural rubber requirements are estimated at approximately 100,000 long tons. The present controls must be continued until adequate supplies of natural rubber are available.

Automobiles: The automobile industry had hoped, before the strike, to turn out four million cars in 1946. This would be twice the production of 1938. It is expected that the industry can begin volume production promptly after management-labor difficulties are adjusted.

Employment: The reasons for the relatively small amount of unemployment are the very high rate of consumer spending, the holding of more workers on the payrolls of reconverting industries, the fact that nearly two million discharged veterans are not yet looking for jobs and the unexpected rapidity with which housewives and young and old people have been retiring from the labor force. During the next six months 4,500,000 men and women will be released from the armed forces. The peak of unemployment, which should be below former estimates, may occur in the early spring. To meet the problem, the Congress should act to authorize more clearly adequate unemployment benefits and put into action the machinery of the full employment bill.

Prices: Retail sales are the highest in history and almost all types of goods are in heavy demand. Demand for many important types of goods will exceed

supply, and...

supply, and shortages cannot possibly be made up in the near future for construction, consumer durable goods, trucks, industrial machinery and equipment for textile and printing and food processing.

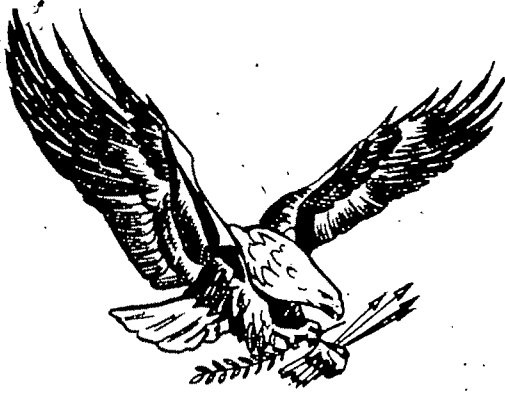
The report stressed the need for legislation extending price control authority beyond June 30 as a vital measure for the prevention of inflation and for assuring both business and consumers that prices will remain stable. It warned that "a disastrous boom" would be the result of any inflationary buying rush on the expectation of a general price rise and that "there had never been a moment in the history of this country when so many individuals or groups stood to gain from inflation and when so many would be permanently injured."

The report pointed out that a boom cannot be prevented by taxation alone and that direct price controls, which can be retained where needed and lifted where not needed, were necessary to meet the situation.

Markets: The present level of national production, higher than it has been in any peacetime year, is not necessarily in itself a permanent part of our national life. Sustained prosperity can be assured only by a high level of demand supported by high current income, and not by deferred needs which are supported by accumulated savings.

Development and maintenance of a market for our production in the longer run must be the yardstick we apply to all policies during the transition.

Legislation: Minimum wage legislation must be acted upon. Congress must consider the nation's labor policy. The decision on continued control of consumer credit will affect our ability to control cyclical fluctuations during the postwar period. The enactment of an adequate law to provide integrated federal planning for maintenance of full employment is of overriding importance and will be the foundation of future economic legislation. Other important fields in which legislation are needed are: the tax structure, public works and housing, loans to foreign countries, an expanded social security program, and guarantees of farm prices.--USIS.



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American Newsfile

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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, - that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

- - An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of *Abrams v United States*.

January 21, 1946

EISENHOWER DETAILS PROGRESS OF DEMOBILIZATION

Washington, Jan. 19 -- General of the Army Dwight D. Eisenhower, Chief of Staff of the United States Army, discussed demobilization in a nationwide broadcast last night. Eisenhower said in part:

Last Thursday the War Department announced the formula for discharge from the Army up to June 30, 1946. The chief points as they affect enlisted men are these:

First, every man, both abroad and at home, who is surplus to our needs and who cannot profitably take the place of a higher point man is to be discharged as rapidly as he can be processed.

Next, by April 30 this year, all enlisted men with 45 points or with 50 months' service will be out of the army or aboard a ship returning home.

Finally, by June 30, all enlisted men with 40 or more points or with 24 months' service as of that date will be out of the Army or aboard a ship returning

home. This . . .

home.

This does not apply to volunteers, of course. It represents a slower pace for these few months than the Army had tried to maintain. Some men who hoped for discharge by March may have to stay in the Army one, two or perhaps three months longer, because we cannot continue to do our job without them. I shall explain the compelling need in a moment. But first I want to say that this schedule of discharges as I have given it to you, will be carried out to the letter.

This is what has been done in demobilization up to now. Much of this happened, of course, before I came to Washington. Of the 8,300,000 men in the Army when Germany surrendered, more than five million have been discharged. Over half of the tremendous force we assembled for war has already returned to civilian life. Actually, more than five-eighths of the V-E soldiers are now civilians.

After V-J Day the demobilization time-table was speeded up to such an extent that 1,665,000 more men were discharged or had returned to their homes by the New Year than we had dared hope would be possible.

From the outset it has been evident that the time would come when the rate of discharge would have to be adjusted to the number of men still needed to do our job overseas and in this country. Under the original estimates that time was expected next spring. Everything possible has been done to postpone a slowdown. Theater commanders have been asked to keep their requirements to the minimum and similar economies took place in this country. We began a campaign for recruiting volunteers, backed by the most attractive conditions any army has ever offered anywhere. I wish we could have an all-volunteer army. But the facts do not yet bear out the hope that enough Americans will volunteer to produce the army of 1,500,000 to which we shall have been reduced by July 1, 1946.

The shooting war is over, but we are engaged in demilitarizing Germany and Japan -- to make certain that those two lustful countries stay beaten till they learn how to live as neighbors with the rest of us. These duties are a continuing

charge on . . .

charge on the Army. They will last as long as we occupy those lands. Reduction in our future troop strength will be made as our policies progress toward curing these people of their warlike habits. But as long as we have occupation forces we shall need manpower.

The second part of the overseas job is huge, but should steadily diminish. It is liquidation of the huge depots, warehouses, camps, bases, ports, airfields and other installations which we built to fight a global war in Europe and the Pacific.

But as property is disposed of, warehouses abandoned and bases rolled up, a proportionate number of men can come home. The revised estimates of our requirements, both overseas and in this country, indicate that by July 1 we can do the job overseas and provide the necessary support from at home with an army of 1,500,000. This figure includes the air forces.

To do our job requires that the rate of volunteer enlistments be stepped up and that selective service meet the Army's calls. Any failure in either the recruitment of volunteers or the selective service draft of young men will seriously jeopardize the Army's ability to carry out its assigned missions.

If our inflow of new men should fail to produce by July 1 the 1,500,000 men the Army requires to perform these missions, then some of the functions now charged to the Army must be abandoned. There is no alternative. The fighting has stopped. The urgency of war has gone but we have a new duty -- the necessity of building a secure peace -- a peace purchased with the lives of our comrades. The Army's mission is to do its part in establishing and assuring this peace and to support our country in the great cooperative venture of nations.---USIS.

INTERNATIONAL BANK BOARD WILL MEET IN MARCH

Washington, Jan. 19 -- The board of governors of the International Bank and Monetary Fund set up under the Bretton Woods agreements will hold its first organisational meeting in the United States sometime in March to set the bank and fund in operation, Secretary of the Treasury Fred M. Vinson told a news conference.--USIS.

EXTENSION OF SELECTIVE SERVICE ACT SOUGHT

Washington, Jan. 19 -- Major General Lewis B. Hershey, director of the Selective Service told the Senate Military Affairs Subcommittee on demobilization yesterday that from January 1 to May 15 the Selective Service would be able to get only 150,000 men.

On the basis that the Selective Service Act may be terminated on May 15, Hershey made the following four recommendations:

One -- Immediate extension of the Selective Service Act.

Two -- Amendment of the Selective Service Act to provide a definite period of service. Since Congress has authorized enlistments for 18 months this would seem to be an appropriate period.

Three -- Lowering of physical standards.

Four -- Recall of persons with substantially less than 18 months of service.
--USIS.

PAULEY AND SYMINGTON APPOINTED TO NAVY AND WAR DEPARTMENTS

Washington, Jan. 19 -- President Truman yesterday sent to the Senate nominations of Edwin Wendell Pauley to be Under Secretary of the Navy and W. Stuart Symington to be Assistant Secretary of War. Pauley would succeed H. Struve Hensel who recently resigned. Symington was nominated to succeed Robert A. Lovett.

Pauley worked as United States representative on the Allied Commission on Reparations with the rank of ambassador. He was special adviser to the United States delegation to the Berlin conference. He is a Californian oil man and was a member of the lend-lease mission that visited Russia in 1941.

Symington, now Surplus Property Administrator, is prominent in industrial and labour welfare circles. In St. Louis, Missouri, where he was in business for several years, Symington gained a reputation not only as an excellent businessman but as a believer in fair labour practices. He was a member of the Mayor's Unemployment Committee, the Mayor's Race Relations Committee, the St. Louis Chamber of Commerce and chairman of the St. Louis Metropolitan Planning Association.--USIS.

RESTORATION OF GERMAN AND JAPANESE ECONOMIES IS ESSENTIAL TO WORLD PROGRESS

New York, Jan. 20 -- An editorial in Friday's New York Times, endorsing plan of the United States government to ship raw cotton to Germany, Austria and Japan for use in resuming peacetime industrial production, said that only by getting back to work can these countries redeem themselves and help world reconstruction. The editorial said in part:

We owe nothing to the Germans or the Japanese, but we owe it to ourselves to prevent demoralization which would only increase our problems. We have nothing to gain by pauperizing the German population through keeping it idle, for this not only pauperizes and demoralizes the rest of Europe by delaying its reconstruction, but also puts on the United States the main burden of keeping the Germans and many other European populations from starvation.

The way to help Europe is to help it to help itself, and in that respect Germany is part of Europe as Japan is part of Asia. As long as these nations remain centers of demoralization and idleness, they will also remain sources of infection for the rest of the world. Only by getting back to work can they redeem themselves and help the world to work its way out of the ruins left by the war.--USIS.

U.S. COTTON FOR CHINA

Washington, Jan. 19 -- Approval by the board of directors of the Export-Import Bank of a line of credit of 33 million dollars to assist in financing the export of raw cotton to China has been announced by Wayne C. Taylor, president of the Bank. The credit is sufficient to provide for shipment of from 275,000 to 300,000 bales of cotton. The line of credit contains substantially the same provisions as that established by the bank last October for cotton credits to European countries, except that it requires repayment 24 months after arrival of the cotton abroad, instead of 15 months in the European credit.--USIS.

U.S. BOOK PUBLISHERS PLAN OVERSEAS SALES EXPANSION

Princeton, New Jersey, Jan. 20 -- Representatives of every major U.S. book publishing house are meeting here for the first time in their history to shape a cooperative program for world-wide distribution of American books. The occasion is the first annual meeting of the United States International Book Association, a joint distribution agency of 82 American publishers.

USIBA is a wholly private organization, financed by the publishing trade and without any form of government control, devoted to building better understanding of the United States abroad. Its program is based on the conviction that this function can best be performed by self-sustaining, commercially sound operations. Because of affinity in objectives, USIBA maintains close liaison with the State Department's new Office of International Information and Cultural Affairs, which is committed to a policy of cooperation, not competition, with private enterprise in the overseas information field. The sale of government-published books abroad has ceased.

Among the major items of business before the Princeton sessions is a plan for substantial expansion of USIBA field office operations.--USIS.

MORE PENICILLIN FOR CIVILIAN USE

Washington, Jan. 20 -- More penicillin has been made available for civilian use in January than in any previous month since its discovery, the Civilian Production Administration has announced.

The December production is estimated at 300,000 million units, completing the total production for 1945 of 7,100,000 million units -- over four times the 1944 production. Export of penicillin amounts to 200,000 million units per month and is expected to continue at that level for some time, CPA announced.

--USIS.

TRUMAN APPEALS FOR SETTLEMENT OF STEEL WAGE DISPUTE

Washington, Jan. 18 -- An appeal to the U.S. Steel Corporation to accept a compromise wage settlement of 18½ cents an hour increase was made by President Truman in a statement on the strike in the steel industry. The statement said:

I have just been informed that the United States Steel Corporation has refused to accept the compromise offered by me yesterday in the United States Steel Corporation - United Steel Workers controversy. The original demand made by Mr. Murray in this case was for an increase of 25 cents per hour, or about 23 per cent. The original offer made by the U.S. Steel Corporation was an increase of 12½ cents per hour, or 11.6 per cent. As a result of their final meeting in collective bargaining they had arrived at the following impasse: Mr. Murray had come down to an increase of 19½ cents per hour or 18 per cent and Mr. Fairless had come up to an increase of 15 cents per hour or 13.9 per cent.

I have studied the facts and figures very carefully. The fact-finding board in the steel industry has reported to me informally. It has not had an opportunity to go into the merits of the case very fully, as it would have done if there were legislation now on the books for a "cooling-off" period. Nevertheless after hearing the board and after long consideration, I believe that the suggestion made by me of 17.1 per cent or 18½ cents per hour, is fair.

In the General Motors case, the fact-finding board, after four weeks of hearings and consideration, reported to me that a settlement on the basis of a 17.4 per cent increase, or 19½ cents per hour, was fair and reasonable under all circumstances to both parties. I approved and still approve that finding. The union has accepted it, but the company has refused.

While, of course, no one finding by any fact-finding board is conclusive or even persuasive in other cases, the fact is that the present general circumstances surrounding these two disputes are similar. It is a matter of great regret to me, and I am sure that it will be to all people of the United States, that all our efforts to avoid this steel strike have up to now failed. A strike

in the steel industry will be felt in practically every other industry in the United States. It will hamper our reconversion effort. It will nullify our attempts to establish a sound economy to which our veterans can return. Its repercussions will be felt all over the country and for a long time to come. I still hope, and on behalf of the great mass of American citizens strongly urge, that my suggestion of a settlement be adopted by the United States Steel Corporation.

I am not endeavoring to set a pattern for all industry. Each controversy should be worked out on its own merits. Agreement should be reached in every case by free collective bargaining.

In this connection, I regret we do not have legislation such as I have recommended which would require a cooling-off period of 30 days. During these 30 days I am confident that some settlement could be reached. I urge the United States Steel Corporation on grounds of public interest as well as good business to accept this settlement.

(The White House today announced that Mr. Murray, president of United Steel Workers of America, has accepted on behalf of the United States Steel Workers the President's proposal for a settlement of the steel wage dispute).--USIS.

NEW ROOSEVELT DIME IS IN PRODUCTION

Washington, Jan. 20 -- The United States has begun making the new Franklin D. Roosevelt coin, Secretary of the Treasury Fred M. Vinson announced. The new coin is a 10-cent piece and will be released throughout the country through federal reserve banks.

The coin commemorating the late President bears the portrait of Roosevelt on one side with the word "Liberty" around one border and the inscription "In God We Trust" on the other border. The reverse side carries the torch of liberty in the center, with the olive branch of peace on the left and to the right an oak branch, signifying strength and independence.

The new Roosevelt dime is the fourth portrait coin in the present series, all of which honor former presidents. Others are the Lincoln penny, the Washington quarter and the Jefferson nickel (five-cent coin).--USIS

U.S. STOCK PURCHASES PUT ON CASH BASIS TO CHECK SPECULATION

Washington, Jan. 19 -- The Federal Reserve Board has raised margin requirements for buying of registered securities to the maximum of 100 per cent for the first time in history. The order is effective Monday, January 21.

In an effort to halt the stock market boom, the Reserve Board governors in February 1945 increased the margin requirements on all but short sales from 40 to 50 per cent, and in July they raised requirements on all types of transactions to 75 per cent, the highest in history up to that time.

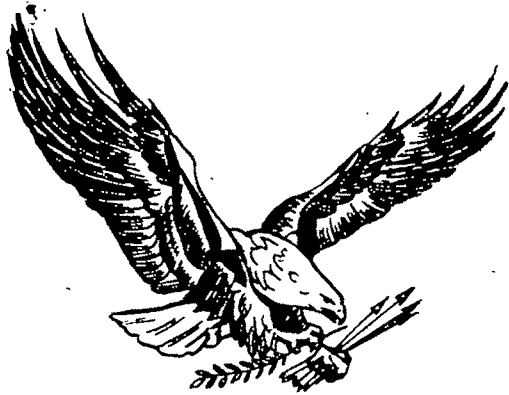
Marriner S. Eccles, chairman of the Reserve Board who saw President Truman Wednesday to gain White House support for the Board's action, described the latest raise in margin requirements as supplementary at best and called for further action to halt the inflation threat, including a balanced federal budget and increase in the tax on capital gains.

In addition to requiring cash for stock purchases through brokers, the Board's action requires cash to be used for purchases through banks and prevents banks from making loans on pledges of stocks owned outright, when these loans are to be used for outright purchases of additional stock.

Eccles explained that "by this action the Board has used its authority to prevent a further flow of borrowed money into stock market operations. There is no further recourse left to the Board so far as restraining speculative activities in listed stocks is concerned, except possibly to order that all existing margin accounts be put on a cash basis and to make some of the administrative provisions applying to banks more rigid."--USIS.

U.S. ARMY TO RETURN 114 TROOPSHIPS TO OWNERS IN FOUR MONTHS

Washington, Jan. 19 -- The War Department announced Thursday that 114 ships will be returned by the Army to the War Shipping Administration for transfer to American or foreign owners during the next four months. The troopship shortage, which until recently delayed return of American troops overseas, has now eased, the announcement said. The vessels to be released include 16 Dutch ships, two French, two Norwegian and 94 American.--USIS.



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- - An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of *Abrams v United States*.

January 23, 1946

WAR-TORN ECONOMIES OF FOREIGN COUNTRIES NEED U.S. ASSISTANCE

Washington, Jan. 22 -- Limitation on dollar earning of war-devastated countries, together with their urgent need for relief and reconstruction goods will make loans and other types of financial assistance to foreign countries a principal feature of United States international financial transactions during the next few years, according to a report on international transactions of the United States in 1945 released by the Department of Commerce.

The total value of goods and services supplied to foreign countries by the United States in 1945 was 12,917 million dollars, while goods and services supplied to the United States by foreign countries were valued at 8,731 million dollars.

The report said the trend established during the third and fourth quarters of 1945 is likely to continue for the immediate future, during which loans and financial assistance to foreign countries will be of considerable importance in

determining the ...

determining the volume of United States exports. In the long run, however, the report said, expansion of United States exports will depend primarily on the volume of United States purchases of foreign goods and services -- source of dollar exchange for foreign countries.

Increases in imports will be limited till such time as the production and export capacities of war-devastated countries are restored. Until then, the report said, United States expenditures for shipping, travel and other services will also be restricted.

Important changes in the balance of payments began to occur after the victory in Europe and victory over Japan, the report said. In the last quarter of 1945 lend-lease as a factor in financing United States exports began to be supplanted by loans and credits. The rate of accumulation of gold and dollar balances in the United States by foreign countries declined in the last quarter, the report said. Preliminary figures indicated during the final quarter of 1945 that the net accumulation was about 100 million dollars as compared to over 700 million dollars in the first quarter.

In a discussion of future trends, the report predicts that the declining rate of gold and dollar accumulations by foreign countries will give way to an absolute reduction of holdings, as supplies of urgently needed goods become available from the United States and as the demand for dollar exchange increases. Long-term capital outflow from the United States is also expected to increase with the continued operations of the Export-Import Bank, the establishment of the International Bank for Reconstruction and Development, and resumption of private investment through other channels.

At present, one of the chief factors limiting goods and services sold by the United States is shortage of goods most urgently demanded abroad. As production of these items is increased, the report said, the total volume of United States exports and services to foreign countries will probably rise above the rate for the last quarter of 1945.--USIS.

FAMOUS U.S. SCIENTISTS WILL STUDY ATOMIC CONTROL PROBLEM

Washington, Jan. 22 -- Senator Brian McMahon, chairman of the Senate atomic energy committee, announced yesterday that the War Department, following his suggestion, had appointed a committee of nationally famous scientists to study the establishment of an overall control system over atomic energy throughout the world. The appointment of the committee is in line with the atomic energy provisions of the resolution of the Foreign Ministers' Conference in Moscow.

The Senate committee is hearing testimony relating to the adoption of a bill proposed by McMahon for the development and control of atomic energy. This bill calls for government control of "production, ownership and use of fissionable materials," while at the same time "assisting and fostering private research and development on a truly independent basis to encourage maximum scientific progress." The bill further calls for a "program for free dissemination of basic scientific information and for maximum liberality in the dissemination of related technical information."

The committee hopes to finish hearings of the domestic phases of the legislation within three weeks, McMahon said. "This whole matter is a tremendously complicated problem," McMahon concluded, "but we hope, in the interests of world peace and security, that it may be settled in 1946."--USIS

INTERNATIONAL TEXTILE GROUP APPOINTED TO REPORT ON JAPANESE TEXTILE INDUSTRY

Washington, Jan. 22 -- The U.S. State Department yesterday announced that a special international textile group organized by the State and War Departments left for Japan January 15. It will report to Supreme Commander General MacArthur and will be charged with the duty of assisting him in collecting factual information on the textile industry in Japan.

The governments of Great Britain, India and China have accepted invitations to nominate observers. The group's findings will be made available to the State and War Departments, the governments concerned, and the Combined Textile Committee, which is responsible for world allocations of textiles.--USIS

U.S. MARINES HAVE COMMITMENTS TO FULFILL IN CHINA

Washington, Jan. 22 -- The U.S. State Department yesterday told the press that U.S. Marines will continue to remain in China until the United States fulfills previously made commitments to assist in disarming and repatriating Japanese troops.

The statement was made in response to a query prompted by a statement attributed to Congressman George Bates, member of the House naval affairs committee, now in Tientsin, China. Bates said now that repatriation of the Japanese has been turned over to the Chinese, United States Marines may be kept some time longer as a stabilizing force in China while the good offices of the United States government are being used toward a peaceful settlement between the two Chinese parties.

The State Department official pointed out that responsibility for repatriation of Japanese troops in China technically always remained with the Chinese government. He added that the Moscow communique had emphasized that United States forces were in China only to assist Generalissimo Chiang in carrying out this task.

The official added that Secretary of State Byrnes and President Truman in statements had stressed that United States forces would be withdrawn from China as soon as repatriation of Japanese troops was completed or whenever the Chinese government indicated it was in a position to do the job alone.--USIS.

U.S. NAVAL CONSTRUCTION WILL BE COMPLETED BY JUNE 1947

Washington, Jan. 22 -- Vice Admiral Edward L. Cochrane, chief of the Bureau of Ships, told the House of Representatives naval affairs committee today that the Navy's entire shipbuilding program will be completed by June 30, 1947 at a cost of 900 million dollars. The Navy's building program calls for completion of 105 ships, including 72 combat vessels but excluding 37 ships ordered to be struck out from the list by Reconversion Director Snyder.--USIS.

AMERICAN OFFICIAL SEES VIGOROUS INDUSTRIALIZATION TREND IN UNDEVELOPED COUNTRIES

New York, Jan. 22 -- Arthur Paul, assistant to the Secretary of Commerce, addressing the Industrial Conference Board here recently, said that the trend toward industrialization throughout the world may become as important as the industrial revolution of the nineteenth century in Europe.

Emphasizing that expansion of foreign trade must be through two-way trade, he said the United States would seek reduction and ultimate elimination of all trade barriers by the United Nations Organization. Following are excerpts from his speech:

I should like to discuss two important aspects of what we see ahead in the field of foreign trade. The first of these is the vigorous trend toward industrialization of many hitherto undeveloped parts of the world. The second is the start we have made toward using UNO as a medium through which the countries of the world will work for elimination of controls and restrictions on trade between nations and through which the inequalities of opportunity for economic development may be lessened.

Reduction and ultimate elimination of all trade barriers through concentrated action is one of the main objectives we will seek through UNO. However, in working out arrangements with other countries and then interpreting our position to foreign trade, we still run into lack of understanding of the fact that expanding foreign trade must be a two-way trade.

Both just before the war and during the war, I had opportunities of visiting most of the countries of the world. The nature of my business on these journeys was such that I usually visited the leading industrial establishments in each country. Some of these were very impressive. I mention these experiences to emphasize and to illustrate the trend toward industrialization that is welling up all over the world. This may historically become as important as was the industrial revolution of the early nineteenth century in Europe.

I believe...

I believe that it should be the policy of the United States government to foster this trend and to assist its nationals and its industry in participating in foreign economic developments.

We have overcome most of our former fears and inhibitions in regard to industrialization of relatively undeveloped countries because these very countries have become better customers as they have been industrialized. Most of you of course know, and very impressive figures can be given to prove it, that foreign trade increases between countries as they industrialize internally.

This trend toward foreign industrialization adds further to the significance of another important matter, which is the use of UNO as a means by which we shall try to extricate foreign trade from the tight strait jacket of control in which it now finds itself.

There have been proposed six specialized economic agencies all of which are to be part of the Economic and Social Council of UNO. These are the International Trade Organization, the International Bank, the International Fund, the International Labor Organization, the International Food and Agriculture Organization, and the United Nations Educational, Scientific and Cultural Organization.

It is hoped, and expected, that as nations join ITO (International Trade Organization), they will substitute multilateral discussion and agreement for arbitrary bilateral action by which nations in the past sought to achieve a temporary position of advantage over their neighbors. Such measures have always brought retaliation and subsequently lessened trade all around. I should like to point out that if the trend toward industrialization of undeveloped lands is carried on under the auspices of ITO and strengthened under ILO, then these world developments can be carried out in an orderly way, in a way that will raise standards of living throughout the world and can promote world trade generally.--USIS

DE GAULLE RESIGNATION REVEALS CLEAVAGES IN FRENCH POLITICS

New York, Jan. 22 -- The resignation of General Charles de Gaulle as interim President of France further complicates an already difficult situation in France and Europe, editorials in two leading United States newspapers said.

Today's New York Times said in part: "The fundamental reasons for his resignation go beyond the question of personality. They lie in the excessive fluidity of French politics and French politicians and in the struggle of French Communists for control. To eliminate the first, the French people voted, with a majority of 90 per cent, for a new constitution, and the efforts of the politicians to defeat the popular will contributed to de Gaulle's decision.

"Since the course of events in France must, of necessity, have a profound influence not only on that country but also on Europe and on the world, solution of the crisis precipitated by the resignation will be watched everywhere with interest and concern."

Today's New York Herald Tribune said in part: "As President, de Gaulle was the symbol of French unity and he stood for a concrete foreign policy. Now some of the basic cleavages of French **opinion** are openly revealed and a fixed point has been removed from the map of Europe -- a map which was sufficiently fluid and perplexing before that event. Such a withdrawal leaves a potentially dangerous vacuum. The political situation in France, although it has made great strides toward stabilization under de Gaulle, is still far from being crystallized. With de Gaulle out of the way there will be a strong temptation for adventurers of the right and of the left to seek partisan advantage. Certainly no political figure of de Gaulle's stature, no one who has the confidence of more than a fraction of the French people, has arisen since the liberation and under the stresses of the times political maneuvering on the old pattern will be an invitation to disorder."--USIS.

"FOREIGN DIPLOMATIC SERVICE IS FIRST LINE OF U.S. DEFENCE"

Washington, Jan. 22 -- Selden Chapin, director of the Office of Foreign Service, last night delivered an address entitled "The Future of the Foreign Service of the United States," before the Hartford, Connecticut, Foreign Policy Association which said in part:

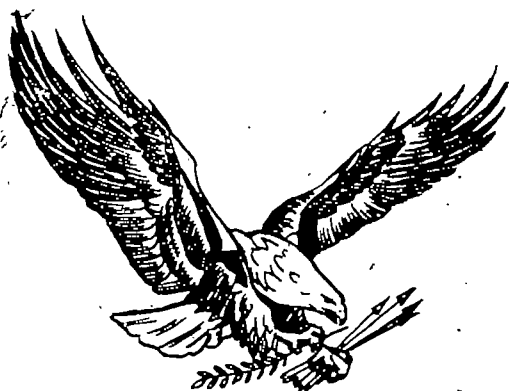
"Before the war the United States, behind its two oceans, had a 'maginot' mentality to an amazing degree. If ever there is another war we can no longer count on a time lag. If the United Nations fail to control the production of atomic power for military purposes, there will always be the danger that 'sneak bombs' might obliterate the time margin, and all of us, at one fell swoop... The atomic bomb has made it impossible for us to retreat into super-isolation.

"On the other hand, we surely will not retain large, standing armies in Europe or Asia indefinitely. There remains the stark necessity of making the United Nations Organization work, and of strengthening the covering force of diplomats and civil representatives which the army will leave behind at the outposts. While in the past we spoke of the service as the 'first line', I wonder if the American people generally were convinced to the marrow of their bones that that line was vital, that it must be of sterling quality, and that it could not be tenuously held..."

Chapin said that the State Department now has only 750 men in career foreign service today but estimated that between 1,600 and 2,000 persons will be needed for the peacetime job.--USIS.

U.S. SENATOR AT NEW DELHI

New Delhi, Jan. 21 -- A Court Circular issued from the Viceroy's House, New Delhi, January 16 noted that "the following had the honour to be invited to dinner." Senator William T. Knowland; Mr. George Meador; Major-General Frank E. Lowe; Brigadier-General T.M. Osborne; Major-General Thomas A. Terry; Captain Larkin.--USIS.



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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, - that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

- - An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of *Abrams v United States*.

January 25, 1946

WORLD PEACE TIED UP WITH U.S. ECONOMY, LIPPMANN SAYS

New York, Jan. 24 -- President Truman's "State of the Union" message to Congress Monday deserves careful consideration because of the importance of United States prosperity to world peace and the success of UNO, Walter Lippmann said in his column in the New York Herald Tribune. Lippmann said in part:

The President's decision to send one message which includes the budget, instead of two separate messages as has been the custom, is in itself a highly significant event. It marks acceptance of the fact that in these times the relation between government finance and private economy is intimate and reciprocal. The two cannot be considered apart and treated like two parallel lines that never meet. The day is gone, and will probably never return, when government spending, taxing and borrowing can be isolated from individual and corporate spending, investing and saving. . .

While the ...

While the immediate problem (in the United States) is that of inflation, no one who looks ahead and seeks to act with prudence and foresight can doubt that the time will come -- no one can say exactly when but certainly within a few short years -- when the present great demand (for goods) will have been satisfied. Private savings then will be spent and investments used up. Production will be at full capacity. Then the postwar depression will begin, and if measures have not been taken soon enough to prevent it, or at least to moderate it, it is almost certain to be the most violent depression in our whole history. . .

Measures to prevent this happening are among the most difficult our people have ever had to consider. The American economy will be at a level of productivity never before achieved anywhere at any time. . . It is not easy to see, it is very hard to know, how capital investment of a wholly new order of magnitude can be brought about annually and consistently, but if it is not brought about, a depression is certain and a depression of a kind which will shake the country and the world.

The success with which we master this American problem will have a profound effect on the peace of the world. An economic catastrophe in the United States like that of 1929, would undermine the peace settlement. As a matter of fact, the whole prospect of peace, the whole hope of UNO, all plans of reconstruction and for liberty and democracy, rely upon the premise that the United States will itself achieve such prosperity that there will be increasing prosperity everywhere.--USIS.

TRUMAN SAYS U.S. DEFENSE NEEDS WILL BE MET

Washington, Jan. 24 -- President Truman was asked several questions on trusteeship at his press conference today. The President said that the veto right of permanent members of the UNO Security Council would be important, but emphasized that the national defense need of this country would not suffer.

The President also said his message on the British loan would go to Congress very soon.--USIS.

FALSE REPORT CONCERNING U.S. FORCES IN JAPAN

New Delhi, Jan. 25 -- A recent report in some Indian newspapers carried by an international non-American news agency quoted a Tokyo correspondent of the London News of the World as stating that American guards on food dumps in Japanese cities are being murdered, and that their bodies are being found in rivers and canals.

Inquiry as to these alleged facts has elicited a reply from the Theater Commander of the U.S. Forces in Japan that "only one case of the body of a U.S. serviceman being found in a Japanese river has been reported, and upon investigation the soldier's death was proved to be the result of an accident with a jeep. The report of U.S. Forces in Japan as of January 11 shows less crime in Japan than at any time in the last five years."--USIS.

PRE-WAR U.S. TREATIES WITH SIAM ARE STILL IN FORCE

Washington, Jan. 24 -- Acting Secretary of State Dean Acheson, in a statement today on relations with Siam, said in conversations with the government of Siam, following the formal resumption of diplomatic relations between the United States and Siam, it has been recognized that the treaties and other international agreements in force between the United States and Siam prior to the outbreak of war in the Far East continue in full force and effect.

Bilateral treaties and agreements covered by such conversations, Acheson said, include the treaty of friendship, commerce and navigation of November 13, 1937 together with the final protocol and accompanying exchanges of notes, the extradition treaty of December 30, 1922, and the agreement for the waiver of passport visa fees of September 19, 1925.--USIS.

TRUMAN CREATES NATIONAL INTELLIGENCE AUTHORITY

Washington, Jan. 23 -- A Presidential directive issued yesterday ordered the creation of a four-man National Intelligence Authority to plan, develop and coordinate foreign intelligence activities of the United States government. The authority will consist of the Secretaries of State, War and Navy and a personal representative designated by the President.

The directive also creates a central intelligence group made up of persons and facilities assigned by the State, War and Navy Secretaries. This group, together with its director, who will be designated by the President, will assist and be responsible to the National Intelligence Authority. The central intelligence group is charged with the duty of "correlation and evaluation of intelligence relating to national security and the appropriate dissemination within the government of the resulting strategic and national policy intelligence." The directive states that "no police, law enforcement or internal security functions shall be exercised under this directive."

President Truman today appointed Fleet Admiral William D. Leahy as his personal representative on the newly created National Intelligence Authority, to act with the Secretaries of State, War and Navy in forming a policy. He will retain his present status as the President's personal chief of staff.

The President also appointed Rear Admiral Sidney W. Sowers as Director of Central Intelligence to head the operating agency of the intelligence group.--USIS.

UNRRA SENDS 4,034,022 TONS OF SUPPLIES TO LIBERATED AREAS

Washington, Jan. 24 -- Up to the end of 1945 UNRRA shipped 4,034,022 long tons of supplies to liberated areas, Herbert H. Lehman, Director General of UNRRA, announced yesterday. Nearly two-thirds of the tonnage shipped up to the end of 1945 -- 2,634,165 tons -- was made up of foodstuffs. Clothing and other textiles and footwear came to 182,413 tons, including 7,490,000 pairs of shoes. Agricultural rehabilitation supplies accounted for 376,387 tons.--USIS.

U.S. STRIKE SITUATION IN REVIEW

Washington, Jan. 23 -- Following is a survey of the strike situation in the United States as of today.

Meat Packing -- Both Congress of Industrial Organizations and American Federation of Labour unions are striking against major meat firms and some smaller firms. About 300,000 workers are involved in the strike, now eight days old. The unions originally asked for a 25-cent-an-hour wage boost but the AFL later agreed to 15 and the CIO to an immediate 17½ cents, with the remainder to be negotiated. The top company offer is ten cents. The average hourly wage rate is about 87 cents. Government plans to seize strike-bound firms Saturday.

Steel -- About 750,000 members of United Steel Workers (CIO) have been on strike for the past three days against major steel companies. President Truman's offer of ^{an} 18½ cent hourly boost was accepted by the union but rejected by United States Steel Corporation, which offered 15 cents. There are currently no negotiations between union and management.

Automotive -- The General Motors strike is now 64 days old. CIO's United Auto Workers' union has reverted to its original demand for a 30 per cent wage increase when General Motors refused to agree to the 17.4 per cent raise recommended by the government fact-finding panel. . . Currently there are no direct negotiations between the union and General Motors.

Electrical -- About 200,000 workers have been out nine days in the wage dispute with major electrical firms. The union has reduced its original demand to a one dollar and 20 cents daily boost. General Electric offered a ten cent hourly boost for low-paid workers and a flat ten per cent for others; Westinghouse proposed a 45-hour work week with time and a half for the last five hours. Mediation conferences will be resumed tomorrow in New York.

Farm Equipment -- Thirty thousand members of United Farm Equipment Workers (CIO) have been out on strike for three days against the International Harvester

Company over a wage dispute. The union is seeking a 30 per cent boost. The company has offered 10 per cent. The government fact-finding panel begins hearings Friday.

The number of workers on strike is estimated at 1,600,000 out of a total working force of over 50 million. Between 30 and 40 million workers do not belong to any unions and among those who are unionized about one in fifteen is currently on strike.

Yesterday Philip Murray, head of CIO, in a letter to Secretary of the Treasury Vinson said that the excess profit tax laws, which were passed by Congress to safeguard industry against losses and to insure reconversion to peacetime production, were prolonging the strikes by allowing certain industries to maintain their profits even if the companies were operating at a loss or breaking even due to curtailed production. Murray called on Vinson to remedy this situation which, he said, was encouraging industry in its fight against labor at the expense of the federal treasury.---USIS.

TRUMAN SEES "TRY-OUT OF POWER" IN STRIKES

Washington, Jan. 24 -- Discussing the strike situation in the United States at his press conference today, President Truman said he thought the strikes were a "try-out of power," and that there was too much power on each side. The government, he said, is the power of the people, and it should assert itself as that power.

As to government seizing steel mills, the President said this is not practical, but that it might be done eventually.

Queried about the newly created National Intelligence Authority, the President said he thought it was a practical program that would work for the best interests of the government. It was a necessary arrangement in order to have all necessary information for implementing United States foreign policy and combined the intelligence operations of four agencies. It was not a revival of the Office of Strategic Services, he added.---USIS

SPAATZ TO SUCCEED ARNOLD AS AIR FORCE CHIEF

Washington, Jan. 24 -- President Truman announced at his press conference today that Gen. Henry H. Arnold will retire as chief of the U.S. Army Air Forces on his return from South America early in February and will be succeeded by Gen. Carl A. Spaatz.

Gen. Arnold will go down in history as the builder and director of the largest air force the world has ever known. Chief of the Army air arm since 1938, when it could boast of only a handful of planes and personnel, Gen. Arnold built it up to a force of 2,200,000 men at the end of the war.

The 59-year-old general is retiring for reasons of health. Currently on a tour of South America to foster closer liaison in Western Hemisphere defenses, Arnold has been forced to curtail his trip because of illness and is now en route home.

In January of this year President Truman, in separate citations, awarded two Oak Leaf Clusters to Gen. Arnold for his organization and leadership of the Army Air Forces. "He fulfilled his mission in a manner that overwhelmed this nation's enemies and awed its allies," said the President in presenting the awards.

One citation stated: "As a member of the Joint Chiefs of Staff and the United States and British Combined Chiefs of Staff, General Arnold helped shape strategy and direct the resources of the victorious Allied forces. From concept to execution, Gen. Arnold's leadership guided the greatest air force in history."

Known since his West Point days as "Happy" Arnold, Arnold started flying in 1911 in a Wright biplane in the Army Signal Corps. Assignments in the Philippines and at home followed, with a post in Panama during the first world war. His outstanding service in the Air Forces continued till the second world war found him commanding general of all the air forces.

General Arnold traveled extensively in all battle theaters during the recent war to acquaint himself at first hand with the problems of air combat. He has written several books on aviation.---USIS.

VICE ADMIRAL KIRK NOMINATED U.S. AMBASSADOR TO BELGIUM

Washington, Jan. 23 -- President Truman has nominated Vice Admiral Alan Goodrich Kirk of the U.S. Navy to be United States ambassador to Belgium. Born in Philadelphia October 30, 1888, Kirk was graduated from Annapolis in June 1909. He became Vice Admiral in 1945, to rank from September 1944.

Kirk was proof and experimental officer during World War One and was Naval Aide at the White House during the last months of President Woodrow Wilson's administration and during the first year of that of President Warren Harding. He was Naval Attache and Naval Attache for Air at the American embassy, London, from June 1939 to March 1941.

Kirk had consecutive commands at sea from October 1941 until March 1942 in escort of convoys, and in the amphibious forces, Atlantic fleet, he was Transport Division Commander. In May 1942 he became Chief of Staff and aide to the commander of the United States Naval Forces in Europe and Naval Attache at the American embassy, London. In the capacity of commander, amphibious forces, Atlantic fleet, from February to October 1943, he commanded an assault force in the Sicilian invasion in July 1943. In November 1943 Kirk became commander of the United States Naval Task Forces for the invasion of Normandy. He returned to the United States in August 1944.

Kirk has received honors from Britain for his work in both the Sicilian and Normandy landings. As commander of United States Naval Forces in France, he exercised overall command of United States naval contingents in the crossing of ^{the} Rhine and supervised the naval operation to eliminate the remaining German pockets in western France in the last phase of the European war. On August 1, 1945, Kirk became a member of the General Board, Navy Department, at Washington, D.C. ---USIS.

FORRESTAL AND ICKES TESTIFY BEFORE SENATE ATOMIC ENERGY COMMITTEE

Washington, Jan. 23 -- Secretary of the Navy Forrestal and Secretary of the Interior Harold L. Ickes, in testimony today before the Senate special committee on atomic energy, urged that domestic control of atomic energy be referred to a commission responsible to the President which would include both military and civilian officials.

Forrestal recommended that the proposed commission include representatives of the State, War and Navy Departments as ex-officio members and four full-time members appointed by the President and subject to confirmation by the Senate.

"I grant you that this new energy is too important to be left solely in the hands of the military," he said, "but I do not think the military, which may use it as a weapon, should be excluded from its control."

Ickes said the work of the control commission should be coordinated by a single administrator, a view shared by Forrestal. Ickes also recommended that the Secretaries of the Interior and Commerce Departments be included in the commission. He urged that government alone be empowered to maintain full access to all private scientific developments in the atomic energy field, to own all patents and materials and control all military and industrial applications. Ickes said in part:

"From the days when the refugees from Europe first settled here, at the invitation of Thomas Jefferson, to the arrival of those great refugee scientists who played a prominent role in the conquest of the atom, Albert Einstein and Enrico Fermi and their many distinguished collaborators, we have been not only safeguarding liberty but enjoying its rich fruits. I hope the day will never come when the thinking of scientists is so hedged about with petty restrictions, as happened in Germany and Italy, that foreign scientists will not want to come here and our own scientists will not want to stay here. . . .

"Members of the committee are aware of the extent to which our conquest of the atom . . .

the atom was made possible by the work of scientists who did not have the fortune to be born in the United States. Einstein, Fermi, Bohr, Oliphant, and Szilard, came from Germany, Italy, Denmark, England, and Hungary, and a host of other great scientists came to us from these and other countries. Their service was asked and eagerly accepted in wartime without reference to red tape and the technicalities of our exclusional immigration laws and regulations or citizenship requirements of our civil service laws.

"It may be that on future occasions when we need help from abroad we will not have a war emergency to justify detours around the morass of immigration laws and regulations. I suggest, therefore, that the proposed atomic energy commission ought to have power to employ non-citizens wherever necessary, whether they reside here or in any other part of the world, without regard to existing citizenship requirements for federal employment. The commission ought to have further power to bring into this country any persons whose services may be required, together with dependent members of their families, without regard to race or national origin or any other of the grounds upon which we now exclude would-be immigrants."--USIS.

VINSON NOMINATED AS U.S. GOVERNOR OF INTERNATIONAL BANK AND FUND

Washington, Jan. 24 -- The White House announced that the following nominations were sent to the Senate on January 23:

Secretary of the Treasury Vinson to be United States governor of the International Monetary Fund and United States governor of the International Bank for Reconstruction and Development for a term of five years; Assistant Secretary of State Clayton to be United States alternate governor of the Fund and the Bank for a term of five years; Assistant Secretary of the Treasury Harry D. White to be executive director of the Fund for a term of two years and until his successor has been appointed; Emilio G. Collado, deputy on financial affairs to the Assistant Secretary of State for Economic Affairs, to be United States executive director of the Bank for a term of two years and until his successor has been appointed.---USIS

U.S. AND BRITAIN DISCUSS CEREAL SHORTAGE

Washington, Jan. 23 -- United States-British talks aimed at the fairest possible world-wide distribution of current wheat and rice supplies were disclosed today by Secretary of Agriculture Clinton Anderson. Sir Ben Smith, British Food Minister, has participated in a series of discussions with the United States authorities on problems resulting from the tremendous food needs of areas liberated from Axis domination, Anderson said.

While the demand for wheat and rice has thus increased, world-wide supply has become seriously low because of poor 1945 crops in most producing areas outside North America. This shortage imposes an especially serious situation in some countries where cereals comprise fully half of the normal food supply. Anderson pointed out that the United States was taking special action to collect as much as possible of the domestic wheat crop, totalling more than 1,000 million bushels, and transport it to seaports for shipment to needy countries.

The United Kingdom has agreed in principle, Anderson said, to reduce its wheat imports to the absolute minimum so as to make more wheat available for other needy areas. The United Kingdom also will reserve for flour manufacture all wheat suitable for human consumption, forbidding the use of such wheat for livestock feed.

In view of the anticipated 1946 world-wide deficit of two million tons of rice, the United Kingdom has agreed to continue its policy of issuing no rice for civilian consumption, thus permitting the maximum distribution of this commodity to countries where rice is the staple diet. Anderson said the United States' 1945 rice crop reached a record high level and as much as possible is being made available for export to needy areas. Aside from shipment to normal outlets of U.S. territories and Cuba, the United States has begun shipping rice to the Netherlands East Indies, the Philippines and China.

Both wheat and rice problems are being studied by the Combined Food Board, Anderson added.--USIS.

ENCOURAGING SIGNS SEEN IN FIRST FREE ELECTIONS IN GERMANY

Washington, Jan. 24 -- The Washington Star, in an editorial titled "Voting in Germany", saw an encouraging sign in the general participation by the Germans in the first free elections in Germany held in Greater Hesse. The editorial said in part:

Reports from the American zone in Germany strongly indicate that the German people are likely to take a lively interest in the problem of their political reconstruction. On Sunday at any rate in the first free elections to be held in the country since 1933, the population of 17 Landkreise (counties) in Greater Hesse displayed anything but apathy, some 85 per cent of those eligible having cast their ballots for local councils.

This of course constituted only a small section, but if a similar percentage turns out next Sunday for the much more widespread voting to be held in the remaining 22 Landkreise of Greater Hesse, and in all but the urban communities of Bavaria and Württemberg-Baden, an important and wholesale beginning will be made on the next stage of the slow process of Germany's return to self-government.

A real index to the country's postwar political thinking will not be had until elections are held on national issues in big cities throughout all the four occupation zones. These urban elections have not yet been scheduled, and it may be a long time before the Allied Control Council permits them. Meanwhile, however, the initial Greater Hesse vote, held under American auspices, seems to be an encouraging straw in the wind, at least in the sense of suggesting that the people of Germany, in spite of deductions to the contrary, may be far from indifferent to democratic political processes and that Hitler's baleful regime has not deprived them entirely of the healthy desire to govern themselves.--USIS.

TRUMAN SUBMITS INTER-AMERICAN COFFEE AGREEMENT EXTENSION FOR SENATE RATIFICATION

Washington, Jan. 23 -- President Truman yesterday submitted to the Senate for ratification the protocol extending the Inter-American Coffee Agreement for one year from October 1, 1945. The Inter-American Coffee Agreement was signed in Washington on November 26, 1940 by the United States and 14 other American republics. --USIS

SURPLUS U.S. MILITARY SUPPLIES NOT SOLD TO FRANCO GOVERNMENT

Washington, Jan. 23 -- A State Department spokesman, queried on the recent New York Post story that surplus United States military supplies had been sold to the Franco government, stated today that no sale of military supplies had been made.

The Post story said three million dollars worth of surplus military supplies, including eight twin-engine Douglas planes, had been sold to the Franco government through the United States Foreign Liquidation Commissioner in Paris. The spokesman said there is a Spanish Purchasing Commission -- probably government -- in Paris seeking American surplus property and trying to acquire commercial aircraft and airport construction equipment for the construction of an international airport at Madrid.

He explained that the military authorities cannot sell surplus military supplies directly, but the matter must go to the Foreign Liquidation Commissioner, who has to get the State Department's approval. The Department has not given approval, the spokesman said.

The Department has approved the sale, however, of five Douglas cargo planes to the Iberian Airline and also airport construction equipment, the spokesman said, adding that the total amount is uncertain but the top guess would be 700,000 dollars worth. The State Department does not consider Douglas cargo planes as military aircraft, the spokesman said.--USIS.

511 U.S. SURPLUS TRANSPORT PLANES SOLD TO COMMERCIAL AIRLINES

Washington, Jan. 24 -- The Surplus Property Administration yesterday announced the allocation for sale of 33 two- and four-engined surplus transport planes, 19 of them for domestic applicants and 14 for foreign applicants. The new allocation brings the total of surplus two- and four-engined Douglas transports allocated to domestic and foreign applicants to 511. Domestic applicants have received 369 and foreign applicants 142.--USIS.

NEWSPAPER COMMENT ON TRUMAN'S MESSAGE TO CONGRESS

New York, Jan. 23 -- Newspaper editorial comment on Truman's "State of the Union" and budget message to Congress reflected the disquiet caused by the strike situation in the country. The prospect of a balanced budget was welcomed. While the President's 12-point foreign policy found general support, a section of the press felt that it should be backed by firmer action in foreign relations.

The New York Times said in part: "Mr. Truman's message is said to have been the longest ever sent by a President to Congress. There can be little doubt that its great length gets in the way of its effectiveness. We say this in criticism of the message, even though there are many points in it with which we find ourselves wholeheartedly in agreement. This is generally true of all that the President says on matters of foreign policy. All these positions seem to us to be thoroughly sound and constructive, as do the President's recommendations in the matter of national defense.

"There remains the President's domestic program. Here we have expressed doubts in the past at various points, and these doubts are not dispelled by a reading of the message."

The New York Herald Tribune, while welcoming the news that on the present budget estimates the deficit should almost vanish next year and a tiny beginning should be possible on debt reduction, said that it was "conditioned on the assumption that the trends of the moment will survive the grave threats raised up on all sides. They are unlikely to do so unless either the President or the Congress can assert a stronger grasp over events, can find a clearer philosophy of action, than either has manifested so far."

The Washington Evening Star said the essential philosophy of the 25,000-word message which the President has sent to Congress is summed up in two of its sentences: "We must move ahead. No return to the past is possible." The editorial added:

"This, then is the outline of his pattern for the future -- a future in

which the country must constantly move forward, with the government assuming what probably will be an increasingly important guiding role. It is a prospect which many will view with misgivings, but Mr. Truman is not among them. He is calm and he is confident -- a virtue of no small significance in these troubled times."

The Wall Street Journal said that "much more clearly than he has done heretofore, Mr. Truman commits himself to a program of 'big government', to a political and social system under which the citizen, both in his business and in other aspects of his daily life, would depend on government and look to government for guidance.

"His fiscal policies do exhibit a better sense of financial order than we have had in Washington for some years.

"The foreign policy section of Mr. Truman's message is both more frank and more realistic than the other sections. Mr. Truman's foreign policy advisers may not be Palmerstons but it can be said for them that they live in this world and not in some world of fantasy where the shadows in a crystal ball are accepted for substance."

The Baltimore Sun said that "no citizen can read Mr. Truman's message to the Congress without feeling that in our President we have a man tremendously anxious to chart the best possible course for the country as a whole. If mistakes are made, they will be mistakes of the head, not of the heart. The implication persists, in this message, that Mr. Truman wants to be told where he is wrong, or where he is confused, or where he lacks conviction. From this point of view, the message is an appeal -- an appeal for support and for help from the American people.

"Mr. Truman proclaims an admirable political philosophy in his message. But when it comes to applying that philosophy in the difficulty in which the country actually finds itself, he cannot quite make the grade."

The Washington News (Scripps-Howard) said that "President Truman's message

presents a rosy prospect -- a budget approaching a balance, an end to the 16-year rise in the national debt, partial prosperity with plenty of jobs and opportunities and progress toward higher living standards. But it won't mean a thing -- unless the country gets back to work."

On the President's foreign policy pronouncements the News said: "In repeating his 12-point foreign policy laid down on October 27, the President said it has the support of Congress and the American people. It does. We hope this will stiffen the President against any more fundamental compromise of that policy."

The Washington Post said: "By combining his general message on the State of the Union with the budget message and incorporating in the budget the outline required to cover his own recommendations, President Truman has made the budget statement more nearly what it was originally intended to be -- an executive plan for financing the government. The government's ability to meet the cost of the proposed legislative programs is a determining factor in judging their feasibility."--USIS.

ALLIED AGREEMENT ON DISPOSAL OF GERMAN NAVY REACHED

Washington, Jan. 23 -- Following is the joint communique on disposal of the German navy issued simultaneously yesterday by Great Britain, the Soviet Union and the United States:

One - It was decided at the Berlin Conference that operable surface units of the German fleet, including units which could be made operable within a specified time, together with 30 U-boats should be **divided equally** between the three powers and that the remainder of the German fleet should be destroyed.

Two - A tripartite naval commission was accordingly appointed to make recommendations to implement this decision and it has recently reported to the governments of the three powers. Its report is now under consideration by these governments. Its recommendation on allocation of main units has been accepted and their division between the three powers is now being made.

Three - Surplus U-boats in United Kingdom ports have been sunk in accordance with this agreement --USIS

UNO MUST FACE PROBLEMS POSED BY WORLD'S TROUBLE SPOTS

New York, Jan. 23 -- The Soviet Russian and Ukrainian requests that the UNO Security Council investigate the presence of British armed forces in Greece and Java, coming after Iran's request that the Council investigate Iran's dispute with the Soviets over Azerbaijan, place a heavy burden upon UNO, but the present move will lead to several difficult problems being brought before public scrutiny, an editorial in today's New York Times said. The editorial said in part:

"The test already imposed upon the infant UNO by the Iranian appeal has been further complicated by criticism aimed by one of the Big Three powers against another. . . . If the Russian government is demanding an investigation of British actions and eventual relief by the Security Council, then the Russian government must be presumed to acknowledge the right of the Security Council to investigate and eventually remedy Russian actions as well. That is all anybody can ask, for full investigation and fair presentation of all the facts must be the first step toward the establishment of security and justice.

"Certainly, the best way for UNO to establish itself is to face such a measure rather than attempt to dodge it. It can face it, and cope with it, by moving at once to appoint investigation commissions for all situations complained of thus far -- Iran, Greece, Indonesia, Syria and Lebanon. And once it starts to investigate, it can fulfill a useful function by throwing light on other situations as well. . . .

"A British spokesman has already declared that Great Britain will welcome investigation of its own actions, and it is to be hoped that other governments will agree, for, to quote an American official in London, 'after all, this is the kind of thing the Council was created to cope with!'"

The Philadelphia Inquirer said: "Soviet delegates to the United Nations General Assembly in London had every right, if they chose, to charge the British with interfering . . .

with interfering in Greece and the Netherlands Indies and to ask the Security Council to inquire into the accusations. But the charges, following so closely Iran's complaint against the Russians in Azerbaijan -- a complaint in which the Soviet Union thinks Britain had a hand though the British deny it -- suggests a spirit of reprisal on the part of the Soviet representatives which can hardly be beneficial to the young UNO and its Security Council. . . .

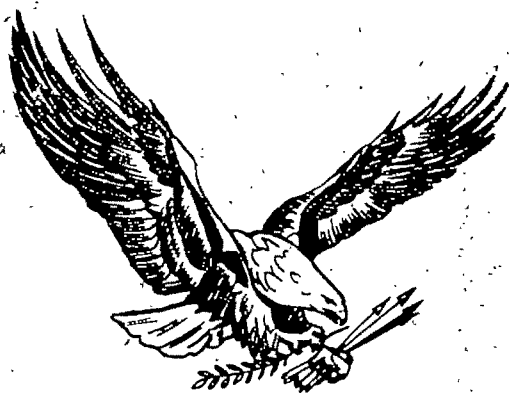
"It is apparent from all this either that the Russians are even more sensitive to criticism than had been thought or that they are determined to have their way, whatever the cost to international cooperation and UNO,"--USIS.

RADAR WILL AID U.S. WEATHER STATIONS

Washington, Jan. 24 -- The U.S. Department of Commerce today announced plans for enlargement of the personnel of the Weather Bureau and use of new radar and automatic radio sending and recording equipment developed during the war to aid in obtaining information about wind and weather conditions in the upper atmosphere ranging to a height of more than 12 miles.

The present expansion program, as outlined by B.C. Haynes, chief of the Observation Branch of the Weather Bureau, calls for development during 1946 of new equipment in 43 weather stations in the United States and Alaska. Men trained in the use of the new equipment will be added to regular personnel at each of these stations. The new method of recording weather information at high altitudes is known technically as "radiosonde and radio winds aloft observation" or "rawinsonde observation", or more simply "rason," as weather men like to call it.

Haynes said when the network of "rason" stations is in operation by the end of 1946 the Weather Bureau will have available a fund of accurate information about actual weather conditions far greater than before. He said this information will be of inestimable value to airlines as well as the general public, which will benefit through improved weather forecasts.--USIS.



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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, - that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

-- An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of *Abrams v United States*

January 28, 1946

TRUMAN URGES SPEED-UP OF FOOD EXPORTS TO LIBERATED COUNTRIES

Washington, Jan. 27 -- President Truman has sent a directive to the Secretaries of State, Agriculture, War, Navy and Labor, the War Shipping Administrator and the director of the Office of Defence Transportation asking them to do everything possible to speed up the supply of wheat to the liberated areas. The presidential directive said:

I have become increasingly concerned over the shortages of vitally needed supplies to the liberated countries. I am particularly alarmed at what now appears to be a world-wide shortage of wheat. I am informed that many countries of Europe now possess less wheat than is necessary to maintain distribution, even though their bread ration is down to the starvation level.

The problem of supplying the destitute peoples of the world with this vital food rests mainly on the shoulders of the United States, Canada, Australia and Argentina. I am informed that estimated shipments through the first six months

of 1946 . . .

of 1946 will be at least five million tons short of the requirements of the deficit areas.

In view of this situation, this government is recommending that each of the supplying countries accept its proportionate share of responsibility in meeting the urgent requirements of the liberated countries on an equitable basis. Furthermore, this government recommends that each of the importing countries produce from its own internal sources the maximum quantity of wheat, and make the best possible use of existing stocks.

Upon my return from the Potsdam conference I stated: "If we let Europe go cold and hungry, we may lose some of the foundations of order on which the hope for world-wide peace must rest. We must help to the limit of our strength, and we will."

I should like to emphasize the last sentence of that statement and request that you give the personal attention to this problem which the seriousness of the situation demands.

Increase of Extraction Ratio in Milling

Everything possible must be done to provide the necessary handling, inland transportation, port facilities and ocean transportation required to move all the wheat and flour which can be provided. We must reduce to the minimum the quantity of wheat used for non-food purposes. Also, all other efforts must be made to increase wheat for food and for this purpose the possibility of increasing the extraction ratio in milling should be explored.

I have asked Mr. Snyder (War Mobilization and Reconversion Director) to coordinate all of the movement activities in this country to make certain that we attain the maximum shipments of wheat as well as coal to the liberated countries. Mr. Snyder has directed the establishment of a movement coordinating committee and it is my understanding that your Department is represented on this committee. I have also asked him to keep me fully informed of the progress being made and to report directly any major difficulties which are not readily adjusted by his action.---USIS.

BENTON SAYS U.S. MUST WAGE CONTINUOUS FIGHT FOR FREEDOM OF PRESS

Washington, Jan. 27 -- Freedom of the press is a freedom "for which we must wage a continuous fight," United States Assistant Secretary of State William Benton said last night in a broadcast titled "Freedom of the Press -- World-wide."

The program was one of a series over NBC's "University of the Air," aimed at explaining United States foreign policy. Paul Porter, Federal Communications Commission chairman, also spoke.

Benton maintained that "it has always been important to seek a free flow of information among the peoples of the world", but since the first atomic bomb was dropped it has become a matter of paramount urgency. Freedom of the press is freedom of men's minds to seek the truth. Without that, he said, we cannot construct the defenses of peace in the minds of men and "can't hope for a secure peace."

Benton and Porter agreed that the cause of freedom of information internationally has not progressed during the last 25 years. Porter added that freedom from censorship is a fundamental part of freedom of information.

When asked whether Russia does not in fact have "an entirely different idea of the role of a free press from ours," Benton said that the Russians "not only frankly admit but boast that their concept of freedom of the press is different from ours. They even deny that ours is freedom." He said Russian practice to the Americans "means state subsidies and state control, which are fundamentally opposed to our concept of an independent press, free to criticize the government."

When asked if he saw any hope of bringing the Soviet and United States viewpoints together, Benton expressed the hope that the "time will come when we shall get a free flow of news between Russia and the United States," but added that this development "will undoubtedly be a gradual process."

Benton said not only the State Department but Congress and the FCC as well as United States delegations to various United Nations conferences were doing

something about furthering the cause of freedom of information. Benton said the State Department was attacking the problem on three fronts -- the economic front, political front and what might be called the "operating front." Benton added that the "outstanding achievement on the economic front has been the Bermuda Telecommunications Conference."

Porter, who was vice chairman of the American delegation at Bermuda, said the "Bermuda conference was significant because problems of high cost and bottlenecks in transmitting news and telegraph messages between the United States and the British Empire -- a problem which has vexed newsmen and telegraph users for 25 years -- was solved in ten days over the conference table in Bermuda."

Porter said the Bermuda conference "is only one step toward a rational world-wide communication **system.**" Porter said the principles of information which the British accepted at Bermuda were adopted by the American republics at the Inter-American Radio Conference at Rio de Janeiro last autumn. He added that these arrangements paved the way for a world-wide acceptance of the same principles at an international communications conference which is expected to be held some time this year.

Means To An End

The Bermuda conference, Porter continued, "succeeded beyond all expectations. But improvement of communications is not an end in itself. It is a **means** to an end -- the real end being to bring the democratic nations of the earth closer together by making possible a freer exchange of ideas, more complete understanding and development of better commercial relations."

Turning to the political approach to freedom of information, Benton said the State Department "plans to do everything within its power along political or diplomatic lines to help break down artificial barriers to expansion of private American news agencies, magazines, motion pictures and other media of communication throughout the world. And, of course, we welcome information from abroad through the same channels."

Concerning freedom of the press within nations, Porter said only the people within the country can achieve it. "You can search history books and never find an example of freedom being handed to a people. They always have to demand it or fight for it themselves."

Benton agreed that as far as international provisions for press freedom were concerned that would be up to the nations themselves, "but I think that free access to news sources, and freedom to transmit news from one country to another without discrimination might very well be included in appropriate agreements or treaties covering our relations with former enemy countries."

Discussing the "operating front", Benton said the State Department planned "to do its best, if Congress approved, to fill certain gaps left by private American activities abroad."

Concluding the broadcast Benton said he thought it safe to say that in the months to come "our government will play a leading role in the fight against restrictions on all sorts of international communications."--USIS.

TRUMAN ACCEPTS RESIGNATION OF ISADOR LUBIN, COMMISSIONER OF LABOR STATISTICS

Washington, Jan. 27 -- The White House announced Friday that President Truman had accepted the resignation of Isador Lubin as U.S. Commissioner of Labor Statistics and as associate representative on the Allied Commission on Reparations, effective January 31. Lubin will retire to private life. Lubin has been commissioner of labor statistics since 1933, and has served as economic and statistical adviser to government and private groups since World War I. He is the author of several books on labor conditions in Britain and the United States.

RETAIL STORE SALES IN U.S. TOTALLED 74,000 MILLION DOLLARS IN 1945

Washington, Jan. 27 -- Retail store sales in the United States for 1945 totalled over 74,000 million dollars, 5,000 million dollars over the 1944 sales, according to preliminary estimates by the Commerce Department.

Manufacturing industries, excluding government, were able to increase employment by more than 850,000 since mid-August.--USIS.

ADVISORY GROUP APPOINTED TO HELP FORMULATE U.S. PROPOSALS TO UNESCO

Washington, Jan. 26 -- William Benton, Assistant Secretary of State, today announced the appointment of five special consultants who will gather and formulate advice for the Department of State in developing United States proposals in the field of mass communication for consideration by the United Nations Educational, Scientific and Cultural Organization (UNESCO). Members of the advisory group are:

Edward W. Barrett, editorial director of Newsweek and formerly director of OWI overseas branch, who will serve as chairman;

Thurman L. Barnard, vice president and director, Thompson Advertising Agency, New York city, and former executive director of the overseas branch of OWI;

Don Francisco, vice president and director, American Association of Advertising Agencies;

Ferdinand Kuhn, Jr., formerly chief of the London Bureau of the New York Times and later deputy director of OWI and director of the U.S. International Information Service;

John Hay Whitney, formerly motion picture chief, OCIAA, and later colonel in the United States forces. Before the war Whitney had extensive experience in the commercial motion picture industry as chairman of the board of Selznick International Pictures.

Benton's statement said:

UNESCO must seek to enlist the full cooperation of the press, radio and motion picture, if it is to succeed in its purpose of getting the peoples of the world behind the peace. That peace will not be secure until its defenses are built in the minds of men.

I am calling on five men who have had long experience with mass media in private industry, and who have had special opportunity, in their service with the federal war agencies, to acquire first-hand knowledge of the need for government recognition of the immense contributions that the mass media of communications can make ...

can make to international understanding. These five men have been cooperating with the State Department during the war by OWI appointment. In collaboration with Archibald MacLeish, chairman of the United States delegation to the London conference on UNESCO last November, they will assist the Department in outlining a practical program through which radio, motion pictures and publications may cooperate with UNESCO in strengthening the foundations of world peace.

It is hoped that the first meeting of the general conference of UNESCO will be held this coming summer. Under the UNESCO charter each country will appoint five delegates. The assignment which I am giving to the advisory group is to prepare recommendations for the use of the United States delegates at this first conference. It is my hope that this group during the next few months will meet with representatives of the various media of communications and will explore with them the most constructive activities for UNESCO in the field of motion pictures, radio and publications. It is my hope that the reports of the advisory group to the State Department for the guidance of the delegates will be such that it can be made public.--USIS.

MCCABE EXPLAINS TERMS OF SURPLUS PROPERTY TRANSFER TO BRITAIN

Washington, Jan. 27 -- Since all American surplus property in the United Kingdom will be available only through normal British trade channels, prospective American purchasers must file applications with the British Minister of Supply in London, U.S. Foreign Liquidation Commissioner Thomas B. McCabe announced last night.

Under the terms of the recent transfer of all United States surplus in the United Kingdom to the British government, the British agreed to give American firms in the United Kingdom equal opportunity with respect to distribution of surplus material bearing the trade marks of such firms; to sell UNRRA material at prices comparable to those charged by the United States; and to prevent export to the United States of American property included in the transfer.--USIS.

NATIONS MUST FIND IN UNO SUBSTITUTE FOR WAR

New York, Jan. 27 -- The New York Times today, reviewing the controversies arising during last week's sessions of UNO in London, pointed out that the major controversies in themselves indicated the importance nations attached to UNO as a substitute for war. The editorial said in part:

We can imagine two situations which might exist if UNO were not in the picture. One is the old balance-of-power system. Discussions would be held in secret. Bargains would be struck. War would be staved off for the time being, for every nation is sick of war, but there would be no assurance for the future.

The other situation is one fondly dreamed of by some voluble Americans -- a world state in which all questions would be domestic. There is no chance whatever that such a state would be accepted today. Certainly it would not be accepted by Russia and opposition to it in the United States would be formidable. But calling a Russian, a Briton or an American a citizen of a world state would not change the nature of the issue. Humanity cannot be standardized by words and forms. What are now national issues would then be sectional issues. The threat of international war would be replaced by the threat of civil war.

Perhaps a world state will come into being by the process of evolution. It will not be brought into being by argument. What we can now hope for, and what UNO offers, is an agency by which disputes among nations can be factually examined, arbitrated, adjudicated, discussed, compromised -- sometimes by one method, sometimes by another -- without resort to force or the threat of force.

Success is not possible, of course, so long as mutual suspicion persists. But how is suspicion to be removed? How else than by the methods now being followed in London under UNO auspices? We must not place too much emphasis on a bad day or a bad week, accusations by Tass news agency or Moscow radio, innuendoes in some sections of the British and American press. As long as what is done is

done within . . .

done within the framework of UNO we can afford to be philosophical about occasional personal and verbal flareups.

What we are witnessing is an attempt to find a substitute for war. Any substitute for war is more beautiful than war, but we must not be surprised if the substitute is not always as serene as a sewing circle.---USIS.

21 U.S. CONSUMER ORGANIZATIONS SUPPORT PRICE CONTROL EXTENSION

Washington, Jan. 27 -- Leaders of 21 national consumer organizations have pledged their wholehearted support and cooperation to President Truman in the fight against inflation and for extension of price control, subsidies, and allocations of scarce supplies.

At the same time, they commended judge John Collet, stabilization administrator, for his action to continue food subsidies and, especially, for rejecting the proposed butter price increase.

In a letter to the President they said: "As representatives of organizations which have consistently supported price control since the original Price Control Act was passed, we want to express to you our great satisfaction with the emphasis in your State of the Union message on the necessity for extending authority for price control, subsidies and allocation of scarce supplies. We assure you of our wholehearted support and cooperation in the fight against inflation, and in securing legislation necessary to the success of the fight..."

The letter was signed by representatives of such groups as the American Association of University Women, the Consumers Union, the League of Women Shoppers, the National Association for the Advancement of Colored People, and the National Education Association.---USIS.

U.S. MINES 8,067 MILLION DOLLARS WORTH OF MINERALS IN 1945

Washington, Jan. 27 -- The value of minerals and mineral products mined in the United States and Alaska in 1945 exceeded the 8,000 million dollar mark for the third consecutive year, Secretary of the Interior Harold L. Ickes announced yesterday. Preliminary estimates, he said, placed it at 8,067 million dollars. The report of the Bureau of Mines to Secretary Ickes yesterday on mineral production in the United States in 1945 said in part:

Metallic Products: Metals showed an overall decline in value of output in 1945, compared with 1944, of 19 per cent. This was due to the fact that equipping of the armed forces, with their huge demand for metals, was largely completed in 1944.

Light Metals: By the end of the year all government-owned plants were closed and production had been cut at all privately owned plants. The output of primary aluminum fell from 776,446 short tons in 1944 to 500,000 tons in 1945. Production and consumption of bauxite (dried equivalent) reached a monthly rate of slightly more than 75,000 long tons, the lowest in several years. Mine production (dried equivalent) dropped from 2,823,724 long tons in 1944 to one million long tons in 1945.

Iron and Steel: For the year as a whole pig iron production decreased 16 per cent and steel experienced a parallel decline. The output of alloy steels declined by about a third. Iron ore production declined only five per cent.

Mineral Fuels: An increase of 22 per cent in the total demand for all oil products for domestic use and export from 1,595 million barrels in 1941 to an estimated total of 1,945 million barrels in 1945 indicates the vital importance of oil during the war period.

Bituminous Coal: Production of bituminous coal and lignite in 1945 was estimated at 576 million net tons, a decline of seven per cent from 1944.

Pennsylvania Anthracite: Production of Pennsylvania anthracite in 1945

has been ...

has been estimated at 54,615,000 net tons, a decline of 14 per cent from the 1944 output and the lowest since 1940. The decrease is attributable to work stoppages in mines, shortage of manpower, and difficulty in obtaining mining equipment and supplies. The demand for anthracite far exceeded production and federal distribution controls were in effect for almost the entire year.

--USIS.

8,000 TONS OF RUBBER ARRIVES IN U.S.

Washington, Jan. 27 -- Eight thousand tons of natural rubber from the liberated areas of the Far East have been received in the United States since the end of the war, the director of the rubber division of the Civilian Production Administration announced. The announcement said only 500 tons have been made available to American industry and the remainder will be released at the direction of advisory committees, which will help channel natural rubber to manufacturers who most need it during a period when supply must remain short.

The State Department reported today that price agreements have been concluded for the purchase of raw rubber from the Far East. The announcement said:

Price negotiations have been concluded whereby the Reconstruction Finance Corporation, through its subsidiary the Rubber Development Corporation, will purchase all natural rubber allocated to the United States by the Combined Raw Materials Board or its successor, the Combined Rubber Committee, from British, Dutch and French areas in the Far East at a price of 20½ cents in U.S. currency per pound for standard top grades, delivered free on board ocean-going steamers at Far Eastern ports.

This agreement covers the period September 2, 1945, which was V-J Day, through March 31, 1946, in the case of the United Kingdom, from whose areas substantial quantities of rubber have already been shipped.--USIS.

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TWO ATOMIC BOMB TESTS TO BE MADE IN PACIFIC

Washington, Jan, 26 -- Vice Admiral William H. Blandy revealed some interesting details of forthcoming atomic bomb tests in the Pacific, which he is to head, at a Navy Department news conference. He made the following points:

Army and Navy medical authorities already experienced in radio-active results from atomic detonation have given complete assurance of adequate protection against radiologic effects for all personnel concerned. In general, the region selected for the test is so negligible in fish resources that no appreciable damage will result to underwater life. It will be necessary to evacuate some 350 persons from Bikini atoll, in the Marshall Island group and from the island of Eniwetok, which is about 200 miles to the westward. Kwajalein atoll, approximately 300 miles south of Bikini, will be the principal base for the demonstration. The bombs to be used are of the type dropped on Nagasaki. In the first test the bomb will explode "several hundred feet" above the target fleet and in the second test the explosion will be on the surface of the water. This latter test, in the expressed views of Admiral Blandy, will subject the ships to greater strain in terms of pressure and shock.

Army ground equipment, including tanks, weapons, rations, and floating and radio equipment, will be set aboard selected units of the target fleet in order to determine the effects of atomic bombs upon them.

Ashore, dugouts and concrete emplacements will have instruments to measure the effects there.

The lagoon of Bikini atoll is some 20 miles, measured from east to west, and 12 miles from north to south.

The group of scientists who will observe the results will consist of a measurement party, Navy Bureau of Ordnance specialists and construction experts from the Bureau of Ships. From Admiral Blandy's report of the tests, the outcome will be appraised by an evaluation board appointed by the Joint Chiefs of Staff. This board will consist of two civilian scientists, two Navy

specialists and two Army specialists, one of whom will be an air force officer. The closest distance from the point of explosion at which surface ships may be stationed for observation is approximately ten miles.

Major General W. E. Kepner, Army Air Forces, who is Admiral Blandy's deputy for aviation, said that air crews assigned for the task already are in special training. The operation, he added, is considered by the AAF as a step in accumulation of data looking to further solution of air power problems.--USIS

USAAF STRENGTH WILL BE REDUCED TO 400,000 MEN

Washington, Jan. 26 -- The War Department has announced that the strength of the Army Air Forces will be reduced to 400,000 officers and enlisted men by June 30, under tentative AAF plans for distribution of personnel in the United States and occupation areas as of that date. Approximately 150,000 of the 400,000 men will be based within the United States, the remainder making up the European and Pacific occupation forces and manning outer defense bases. The underlying factors determining allotment of troops are under continuous study and the present plans may be altered as conditions change, the Department said. Figures at this time for planned strength and distribution of Air Force troops on June 30 are:

European theatre, 66,828; Pacific area, 107,672; Middle East and West Africa, 4,364; Alaskan department, 8,836; Caribbean Defense Command, 19,512; North Atlantic bases, 7,031; zone of the interior (United States), 151,011; and general reserve, 34,746.--USIS.

PRESIDENT TRUMAN TO GO ON SHORT VACATION

Washington, Jan. 27 -- The White House yesterday announced that President Truman will take a short vacation beginning February 11.

He will fly to Orlando, Florida, then go to Rollins College at Winter Park to receive the honorary degree of Doctor of Humanities. He will then drive back to Orlando, fly to Miami and board the presidential yacht for a brief cruise off Florida.--USIS.



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FLOW OF AMERICAN EXPORTS WILL BE LIMITED

New York, Jan. 27 -- All areas of the world, except Germany and Japan, were opened to private trade for U.S. exporters early in January, in line with the American policy of fostering international economic as well as political and social relations.

A U.S. Commerce Department announcement said that the Department's Office of International Trade now is accepting for consideration applications to export commodities to all areas except Germany and Japan, with which private trade was suspended during the war.

In making the announcement, however, a Department spokesman pointed out that numerous factors will limit the flow of American exports, at least for the time being. These include: domestic supply shortages; foreign dollar shortages; lack of adequate transportation facilities; need for obtaining military clearance in a number of liberated areas; and foreign government or military restrictions on imports.

"While there will necessarily be limited quantities of a few materials still in short supply," he said, "it is now nonetheless possible for exporters, insofar as the U.S. government is concerned, to undertake to expand their exports."

Facilitating Transport

In an effort to overcome at least one of the limiting factors -- inadequate transportation facilities -- U.S. Reconversion Director John W. Snyder recently set up an inter-agency committee on export transportation designed to expedite the shipment of wheat and coal to the liberated areas.

The committee, which includes representatives of seven government agencies, will make immediate plans for the shipment of six million tons of wheat to the liberated areas during the first half of 1946. It also will expedite transportation of two million tons of coal.

To supply the minimum needs of all the European liberated areas, monthly shipments of wheat from the U.S. will have to be increased from the 1945 rate of 700,000 tons monthly to a rate of one million tons monthly, it was pointed out in the announcement of the establishment of the inter-agency transport committee. Principal obstacles to attainment of that goal lie in the fact that most of the wheat which might be shipped must be transported from midwestern farms and local grain elevators to main terminals and ports over heavily burdened transport routes.

Added to . . .

Added to the pressing European need for wheat and coal is the one for oil. An announcement during the first week in January said that the Consumers Cooperative Association had received an order for more than two million gallons of lubricating oil from representatives of French farm cooperatives. The Association, which has a cooperative refinery in the mid-west town of Coffeyville, Kansas, is shipping the oil from a southern port during February.

Supplementing exports from the U.S., government offices throughout the world are putting at the disposal of foreign customers surplus American property. Sales of surplus property in foreign areas were further centralized in the office of the Foreign Liquidation Commissioner of the Department of State during early January. The FLC itself announced the opening of six new field offices in widely-scattered parts of the world, including Australia, China, Latin America, Guam and Canada.

In the Philippines, the FLC office early in the month sold nearly 2,500,000 pounds of wheat flour to the United Nations Relief and Rehabilitation Administration for distribution through UNRRA's Pacific relief program. Another sale for Philippines consumption was of \$448,000 worth of U.S. Army surplus, including badly-needed foodstuffs.

Foreign Liquidation Commissioner Thomas B. McCabe announced that many fixed installations and much equipment used in the oil industry have been declared surplus and put up for sale both in Europe and the Far East.

Pent-Up Home Demand

While trying to meet the great demand abroad, the United States is faced with a pent-up demand at home. This was further complicated by the many difficult problems of reconversion from wartime to peacetime production, which resulted in production decreases in numerous industries.

A preliminary estimate of the 1945 bituminous coal output, for example, showed a decrease of 7.3 per cent below 1944 production, according to Solid Fuels Administrator Harold L. Ickes. Soft coal output in 1945 was estimated at 575 million tons compared to 620 million tons in 1944. And Ickes called attention to the fact that industries are digging deeply into their reserve stocks.

Recently-announced figures showed declines in other fields. The Civilian Production Administration said on January 4 that lumber production remained at a low level through October, with the total for the month amounting to only 2,013,782,000 board feet, 8.3 per cent less than the September output of 2,196,045,000 board feet. October lumber output was 26.2 per cent less than the October 1944 production.

Three days later, the regular monthly Census Bureau report revealed that production of wood pulp, paper and paperboard in November 1945 was below the October output, although it remained higher than in November 1944.

Factory and warehouse stocks of fats and oils, the Department of Agriculture revealed at the beginning of the year, totalled approximately 1,660 million pounds on October 1 -- 670 million pounds less than in the preceding year and the lowest total for that date since 1936. The Department predicted that "fats and oils will continue in tight supply throughout 1946."

Rubber Shortage

Rubber Shortage Foreseen

The future was not brighter in some other industries. In natural rubber, President A.L. Viles of the Rubber Manufacturers' Association said at the turn of the year that most sections of the world market will suffer acute shortages of finished rubber products for many months to come -- probably into 1947. Measured against pre-war consumption and even greater post-war requirements, he said, 1946 will continue to be a "famine year" as far as natural rubber is concerned.

Stocks of dairy products on hand on January 1, the Department of Agriculture reported, were smaller than on October 1, 1945, resulting in a substantial decrease in supplies available for allocation in the January-March quarter as compared with the October-December quarter. The Department reported that demands for foreign shipments continued large and that a total of 500 million pounds of dairy products are allocated for exports and shipments in the first quarter of 1946.

Production of steel in 1946, however, if industrial peace is ensured, is expected to top that of 1945, according to the weekly trade magazine Iron Age. "As the year closed," the magazine said, "it is estimated that the industry's backlog of unfilled orders ran somewhere between 26 million and 28 million tons of finished products."

Transport industries continued hard-pressed. A late Department of Commerce report revealed that railroad car loadings in November remained at approximately the same level as in October, usually the peak month. Weekly loadings in November averaged 790,000 cars, or only 3.7 per cent below 1944.---USIS.

SEVERANCE OF DIPLOMATIC RELATIONS WITH FRANCO SPAIN URGED

Washington, Jan. 29 -- Representative John M. Coffee, Democrat from the state of Washington, yesterday characterized Franco Spain as the "atomic laboratory of fascism for world war three." In a speech delivered to the House he urged Congress to take action on his resolution of July 2, 1945, urging the United States government to sever diplomatic and commercial relations with the Franco government so that the people of Spain may once more "avail themselves of the God-given right to establish in Spain a friendly government of the people."

Coffee cited as a threat to peace the fact that "on October 5, 1945, the Nazi-Falange regime in Spain placed Spain's great uranium deposits under totalitarian state control." Coffee also charged that it was "within the territorial boundaries of so-called neutral Spain during the years of the second world war that the Nazis did their original experimental work on rocket and radio-controlled bombs" and that documents prove that "Spain was Hitler's first rocket launching site."

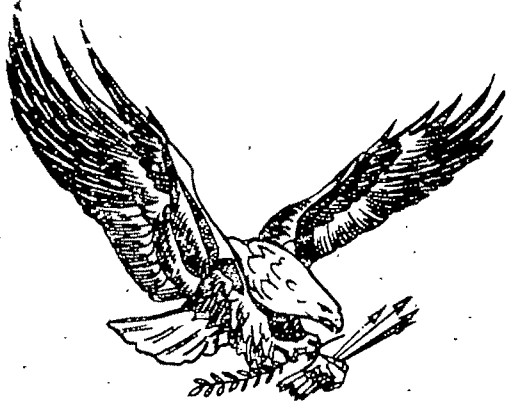
Two other west coast democrats, Representative Charles R. Savage of Washington and Ellis E. Patterson of California, filed prepared addresses urging action on the Coffee resolution.---USIS.

U.S. GIFT OF PENICILLIN PLANT TO RUSSIA

Boston, Jan. 29 -- The Hugh Cabot Memorial Fund has disclosed plans to erect a two-million-dollar penicillin research laboratory and plant in Russia through voluntary contributions of United States citizens.

Dr. Harlow Shapley, director of Harvard observatory and chairman of the fund's national committee, said the plant and its equipment would be shipped to Russia through Russian relief organizations. He said: "The Cabot Memorial will appeal to Americans because it commemorates the ideals of a scientist and humanist and will provide a living, practical and continuing symbol of good will."

Dr. Shapley asserted that the institution would be the first in the Soviet Union dedicated to and bearing the name of an American.---USIS.



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"....When men have realized that time has upset many fighting faiths they may come to believe, even more than they believe the very foundations of their own conduct, that the ultimate good desired is better reached by free trade in ideas, - that the best test of truth is the power of the thought to get itself accepted in the competition of the market; and that truth is the only ground upon which their wishes safely can be carried out. That, at any rate, is the theory of our Constitution."

- - An excerpt from a dissenting opinion by Supreme Court Justice Oliver Wendell Holmes in the case before the U. S. Supreme Court of *Abrams v United States*.

January 30, 1946

MOVE FOR SEPARATE DISARMAMENT CONFERENCE DISCOUNTED

New York, Jan. 29 -- Today's New York Times, in an editorial titled "Give UNO A Chance," said yesterday's speech in the United States Senate by Senator Millard E. Tydings, calling for a world disarmament conference did not present the most feasible method of achieving world disarmament. The Times said in part:

"A world disarmament conference would be composed of delegates from the states now members of UNO. It might even be composed of the same delegates now present in London. Would the delegates be wiser or better because they called themselves delegates to a disarmament conference rather than delegates to UNO? Would their home governments act differently because they were dealing with disarmament outside UNO instead of inside?

"It is true that UNO is not primarily a disarmament agency. It believes in armaments so long as they are necessary to discourage aggression. Yet its whole tenor ...

whole tenor is against competitive arming. In article 26 of the United Nations Charter and again in article 47 this subject is specifically cited. . . . If Senator Tydings had read the newspapers of last Friday morning he would have learned that UNO Assembly had voted unanimously to set up an atomic energy commission for, among other purposes, 'elimination from national armaments of atomic weapons and of all other major weapons adaptable to mass destruction.'

"There is certainly an armament problem. We believe UNO must finally decide what contingents from each nation are necessary to insure against aggression and that armaments beyond this necessity must be regulated by mutual agreement. It will not be easy to arrive at such a formula and get it accepted. It will not even be possible to do so until peace has been firmly established and there is mutual trust among the great powers. But if such mutual trust cannot be developed under UNO, with all its facilities for conference, discussion and inquiry, can it be developed by relegating UNO to a status of the League of Nations and repeating the experience of the Washington Disarmament Conference of 1921-22?

"We don't think so. The way to get disarmament is to make UNO a success. The way to make UNO a success is to hand over to it all international problems and not just some of them, and then bring to bear the pressure of world opinion to see that it deals with them wisely and justly."

Iran, a Promising Beginning

In another editorial today titled "Iran Presents Her Case" the New York Times said in part: "The mere fact that after the most ruthless war in history there is now a tribunal before which a small state can hale a big power and seek justice is in itself an auspicious circumstance. Moreover it is to Russia's credit that although she objected to bringing the issue before the Security Council, and still objects to the Council's taking jurisdiction in the case, she bowed, nevertheless, to the majority opinion and did not attempt to prevent ...

to prevent a first hearing by the exercise of her power. That is a promising beginning for this and similar cases in the future."

The New York Herald Tribune columnist Walter Lippmann in his column today called on the big powers, especially Britain and Russia, to face and solve the problem of Russia's desire for outlets to the sea, in particular to the Mediterranean. Lippmann maintained that what Russia "really needs is a guarantee that neither the Dardanelles nor the seas beyond will be closed to her, that Britain and America will join with her in seeing to it that they are kept open."

Lippmann, commenting on press reports of UNO meetings in London, which, he said, seemed to present the meetings as a series of crises, said in part:

"The remedy for these chronic crises is to understand that they are not crises at all. They are incidents of which there will be countless others for years to come, until the profound and enormous consequences of the war have been dealt with. The United Nations Organization can be used to deal with some, but by no means with all, the consequences.

"The great readjustments which the war compels all nations to make have still to be shaped and accommodated by diplomacy. Let us be on guard lest international conferences inflate and dramatize the difficulties of the readjustment, creating a feverish atmosphere of crises, where there should be a stout-hearted and steadfast determination to see the things through."--USIS.

V-MAIL SAVES 37,500,000 POUNDS IN MAIL FREIGHT

New York, Jan. 29 -- In three and one-quarter years, the V-mail service, which ended October 31, 1945, dispatched 1,500 million diminutive letters to and from the armed forces, a recent issue of Newsweek reported.

The microfilming technique reduced a one-page letter to a quarter inch square; a film roll of 1,800 letters weighed only seven ounces. The freight saved for combat cargo amounted to nearly 37,500,000 pounds -- enough to transport more than 15 divisions.--USIS.

SPECIAL COMMITTEES WILL EXPEDITE U.S. WHEAT SHIPMENTS

Washington, Jan. 29 -- To expedite export movement of six million tons of United States wheat and wheat products for foreign relief purposes during the first half of 1946, advisory committees have been appointed in Minneapolis, Omaha, and Portland, Oregon, by Capt. Granville Conway, acting War Shipping Administrator and chairman of the committee on export transportation. The export goals set by the State Department "will require the utmost in effort and cooperation on the part of all concerned," Capt. Conway said in a letter to the advisory committees' members.

Committees set up in surplus production areas will assemble pertinent information on supply and transportation, report trouble spots, and make recommendations to accomplish the set goals with the minimum of interference and with the best utilization of available facilities.--USIS.

CENTER PARTIES SCORE IN GERMAN MUNICIPAL ELECTIONS

Washington, Jan. 29 -- German press reports from Frankfurt state that in the American occupation zone of Germany elections were held on Sunday in communities of under 20,000 population for seats in rural councils.

American military government officials estimated that about 84 per cent of those eligible went to the polls. The Christian Social Union, a party slightly to the right of center, piled up huge majorities in traditionally conservative areas and led almost two to one over its nearest rival on the basis of more than one million votes counted. Both the left wing Communist party and the extremely conservative Liberal Democrats trailed far behind, while the Social Democrats -- mildly leftist with a socialist platform -- were second in the unofficial and incomplete compilations.--USIS.

CIVILIAN CONTROL OF ATOMIC ENERGY URGED

Washington, Jan. 29 -- Doctor Harrison Davies of the Federation of Atomic Scientists yesterday told the Senate Special Committee on Atomic Energy that his group favors adoption of the McMahon bill for control of atomic energy.

Doctor Davies, biochemist and radio-chemist who worked on the atomic bomb project in Chicago and Oak Ridge, Tennessee, said he spoke for over 1,500 scientists and engineers associated with the project. Davies said the McMahon bill fulfills the basic requirements of "encouraging international control of atomic energy." He said that scientists believe no solution of the problem of national security is now possible short of "elimination of war as a method of settling international disputes." He added: "We wish to go on record most strongly as favoring complete exclusion of the military from any policy-making function on the commission proposed for handling the problem. It is in the best tradition of the American government that policy be made by civilians. However, we do not mean to exclude efficient liaison between the commission and the armed forces."

Davies emphasized that the "subject is fraught with such significance to our foreign policy," adding that the "wide publicity given to fundamental scientific discoveries in the last 40 years is largely responsible for the rapid scientific development."

Other features of the McMahon bill which Davies said were particularly applauded by scientists are: equality of private research with government research; equality in exchange of information; government monopoly of control of fissionable materials; studies of the social and economic implications of atomic energy; and importance of radioactive investigation in the chemical, medical and industrial fields.--USIS.

7,750,000 GIs WILL BE DEMOBILIZED BY JUNE 30, 1946

Washington, Jan. 29 -- Just returned from a round-the-world inspection tour of United States overseas military installations, Secretary of War Robert P. Patterson yesterday told the press that between V-E Day and June 30 of this year 7,750,000 men will have been discharged from the army and returned to civil life.--USIS.

BOARD OF GOVERNORS OF INTERNATIONAL BANK AND FUND TO MEET ON MARCH 8, 1946

Washington, Jan. 29 -- The State Department announced yesterday that in accordance with the terms of the Bretton Woods Agreements, which have been brought into force by the necessary number of signatures, the government of the United States has issued invitations to the states who are members of the International Monetary Fund and the International Bank for Reconstruction and Development to attend the first session of the boards of governors. The meetings will be held at Willington Island, near Savannah, Georgia, beginning March 8, 1946, for the purpose of establishing the two institutions.

The states who are members of the Fund and the Bank are the following: Belgium, Bolivia, Brazil, Canada, China, Colombia, (Colombia is a member of the Fund but is not yet a member of the Bank) Costa Rica, Cuba, Czechoslovakia, Dominican Republic, Ecuador, Egypt, Ethiopia, France, Greece, Guatemala, Honduras, Iceland, India, Iran, Iraq, Luxembourg, Mexico, the Netherlands, Norway, Paraguay, Peru, the Philippine Commonwealth, Poland, the Union of South Africa, United Kingdom, the United States of America, Uruguay, and Yugoslavia.

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U.S. AIR AND SEA SERVICES TO EUROPE

Washington, Jan. 29 -- United States Lines will resume regular schedules for cargo ship services to Europe, Australia, New Zealand and the Far East early in March, it was announced yesterday by John M. Franklin, president of the Lines. The states who are members of the Fund and the Bank are the following:

American Airlines announced Saturday it would start a direct airplane passenger service between New York and the Scandinavian countries February 1. The service at the start will provide one round trip each week between New York and Copenhagen and Stockholm. Later, Oslo will be added to the schedule. ---USIS.

Belgium, Bolivia, Brazil, Canada, China, Colombia, (Colombia is a member of the Fund but is not yet a member of the Bank) Costa Rica, Cuba, Czechoslovakia, Dominican Republic, Ecuador, Egypt, Ethiopia, France, Greece, Guatemala, Honduras, Iceland, India, Iran, Iraq, Luxembourg, Mexico, the Netherlands, Norway, Paraguay, Peru, the Philippine Commonwealth, Poland, the Union of South Africa, United Kingdom, the United States of America, Uruguay, and Yugoslavia.

SEES BUSINESS BOOM IN 1946

Washington, Jan. 29 -- Business and industry of America will see activity of unprecedented proportions in 1946 once current labor-management differences are settled, John D. Small, administrator of the Civilian Production Administration, said yesterday.

In the agency's report on December production, Small declared purchases by consumers and the volume of building materials on order indicate that businessmen are expecting business to boom in 1946. Consumer goods deliveries in December of vacuum cleaners, electric irons, refrigerators, electric ranges, washing machines, sewing machines, and radios were running from 10 to 30 per cent above the November last figures, and prewar levels for most consumer goods could be reached by June, Small reported. Nevertheless, he warned that continuance of the steel strike will cause great and increasing delays in the reconversion program. He added that the important factors retarding production of consumer and producer durable goods include:

One, work stoppages resulting from industrial disputes;

Two, shortages of certain materials (such as sheet steel and castings) and shortages of certain components (such as ball bearings and fractional horsepower motors).

Three, uncertainty as to wage and cost factors.--USIS.

NORTH AMERICAN BROADCASTING CONFERENCE MEETS FEBRUARY

Washington, Jan. 29 -- The State Department has announced that the North American Regional Broadcast Engineering Conference will convene here February 4 to consider technical subjects designed to improve the service in each country and to minimize broadcast interference between countries. Problems related to standard band broadcasting, particularly as they are affected by the North American regional broadcasting agreement, which expires March 21, 1946, will be considered. ---USIS.

URGES CLARIFICATION OF U.S. POLICY IN GERMANY

Washington, Jan. 29 -- The United States should officially clarify its long-term plans with regard to Germany and Europe and should take the initiative in strengthening UNO, which offers the only prospect of averting total world destruction presaged by atomic warfare, Vera Michales Dean, research director of the Foreign Policy Association (a private organization), said in a report issued today. Miss Dean has just completed a trip to Germany, Britain and France.

For a workable economic program for Germany to be practical, she advocated reduction of the role of heavy industry in Germany, seizure of Germany's external assets, and reorientation of Germany's economy toward intensified production of foodstuffs and consumer goods. She said the following four measures were needed in carrying out United States long-term policy in Germany:

First, President Truman should state that the United States will participate in Allied control of Germany as long as it may prove to be necessary.

Second, a special office for handling German occupation affairs should be set up in Washington to expedite decisions frequently held up in the past because of pressure of other business.

Third, an American administration consisting of American experts specially recruited for long-term service abroad should be established by June 1, 1946.

Fourth, a definite contingent of regular Army forces should be assigned for duty in Germany, preferably on a rotation basis and with opportunity to bring their families.

She added that no measure to disarm Germany or de-Nazify the Germans will be of avail unless the United States, and its wartime allies, strengthen their own position by orderly reforms at home and genuine collaboration through the United Nations Organization. The United States is in a better position than any other nation in the world to take the initiative in strengthening UNO, which at this time offers the only prospect of averting total destruction presaged by the discovery of the atomic bomb, she said.--USIS.

INTERNATIONAL CONFERENCES TO STANDARDIZE WEATHER OBSERVATION

Washington, Jan. 29 -- Officials of the United States Weather Bureau will attend the international conferences to be held in London February 27 and in Dublin March 4 to discuss proposals for world-wide standardization of weather observations and adoption of detailed operational meteorological procedures, it was announced yesterday by the Department of Commerce.

The London meeting -- under the auspices of the International Meteorological Organization, founded 70 years ago to standardize weather observations throughout the world -- will be attended by Doctor F. W. Reichelderfer, chief of the United States Weather Bureau, and D.M. Little, assistant chief of the technical service of the Weather Bureau. The meeting will discuss revision of old procedures in line with modern aviation needs. Reichelderfer said all nations of the world except Germany and Japan have been invited to attend the meeting.

The Dublin meeting will be a north Atlantic regional conference of the provisional International Civil Aviation Organization. It is a follow-up of the Montreal conference last year. Little, Norman D. Hagen, representative of the Weather Bureau in Europe, and Robert W. Craig, head of the Bureau's international aviation section, will attend the Dublin meeting. The Dublin conference plans to take up detailed problems of operating meteorological procedures together with requirements for adequate communications, traffic control, air and sea rescue and landing and ground aids in the north Atlantic area. ---USIS.

TRUMAN'S LOAN MESSAGE EXPECTED THIS WEEK

Washington, Jan. 29 -- After congressional leaders -- Senators Kenneth McKellar and Alben W. Barkley and Representatives Sam Rayburn and John W. McCormack -- had conferred with the President this morning, Senator Barkley told reporters that the President's message on the U.S. loan to Britain would probably be sent to Congress this week. ---USIS.

AMERICA'S TOP-RANKING DIPLOMAT, HARRY HOPKINS, DEAD

New York, Jan. 29 -- The death of Harry Hopkins today at the age of 55 brought to close the life of a man who has played a leading role in the conduct of international relations of the United States. He travelled all over the world during the war to bring about closer collaboration among the United Nations. He became the late President Roosevelt's closest adviser and intimate friend. After Roosevelt's death last April, Hopkins continued in government service. Despite frail health, he went on a mission to Moscow at the request of President Truman.

Hopkins began his career as a social worker in New York City and later became director of the New York Tuberculosis Association. In 1933 he became administrator of the Federal Relief Emergency Act following which he held similar positions with the Civil Works Administration and the Works Progress Administration.

Appointed Secretary of Commerce by Roosevelt in 1938 he resigned in 1940 because of ill-health. When the United States entered the war, Hopkins became one of Roosevelt's chief advisers, participating in the conferences at Casablanca in January 1943, Quebec in August 1943, Cairo and Tehoran in November 1943 and Yalta in February 1945. He also attended the famous shipboard conference in August 1941 at which the Atlantic Charter was framed.

Hopkins was appointed special administrator of lend-lease when it was passed in March 1941. He went to London and Moscow afterwards to pave the way for its extension to Britain and Russia.

Following the mission to the Soviet Union last summer, Hopkins, a victim of failing health throughout his life, retired from government service. Then he accepted a position as impartial chairman of the New York women's coat and suit industry, charged with arbitration of wages and other industrial labor problems.

After the death of his second wife in 1939, Hopkins married the former Louise Macy in a White House ceremony in July 1942. From his earlier marriages Hopkins had a daughter and three sons, one of whom was killed in action in the Marshall Islands.--USIS.

REPORT URGES EXPANSION OF SOCIAL SECURITY MEASURES

Washington, Jan. 28 -- The revision and expansion of present social security measures and formulation of a comprehensive national scheme of social insurance, supplemented by a comprehensive program of public assistance on a federal-states basis, was recommended in the tenth annual report of the Social Security Board submitted to Congress yesterday by Watson B. Miller, Federal Security Administrator.

The report listed specific recommendations for extending the program to millions of families still partly or wholly unprotected, for covering risks against which little or no provision has yet been made, for strengthening the present provisions and for improving and simplifying administration and financing.

The report recommended that old-age survivors' insurance provisions should be extended to all gainfully employed workers, "including agricultural and domestic employees, public employees and employees of non-profit organizations and self-employed persons, including farmers." These groups are not now covered by this program. The report also called for liberalization of benefits, particularly for low-paid workers.

The report reiterated its previously expressed recommendation that the unemployment program be extended to all employees, regardless of state or firm. At present workers in firms employing under 800 people are not covered. The report also reiterated its contention that a single comprehensive national scheme of social insurance would remove some of the difficulties now encountered under the federal-states scheme of unemployment insurance. The board suggested a minimum unemployment allowance of at least 25 dollars weekly. The present program varies from state to state as to the amount of benefit and its duration.--USIS.

ANGLO-AMERICAN AGREEMENT ON CIVIL AVIATION REACHED

Hamilton, Bermuda, Jan. 29 -- Representatives of the United States and Great Britain meeting here have reached agreement on a new commercial aviation pact. The principles of the accord have been referred to London and Washington for study and approval, heads of the conferring delegations announced jointly in Hamilton.--USIS.



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COMPLETE CURE" FOR CHOLERA REPORTED

In the spring of 1945 a severe cholera epidemic swept Calcutta, killing 1,192 persons. Steps were taken to protect American personnel stationed in the city against this swift killer. What began as a protective measure by a U.S. Navy medical unit led to a new experiment in treating cholera and the discovery of a treatment that has given almost miraculous results.

Washington, Jan. 29 -- The discovery of what is described as "a complete cure" for one of mankind's oldest and most deadly enemies, cholera, was made by U.S. Navy epidemiologists in a controlled experiment held during a recent epidemic in Calcutta, Faith Brewer, former American Red Cross staff correspondent in India, reported in an article in a recent issue of Science News Letter. The report added


Began as a protective measure for thousands of Americans stationed in India, China, Burma, Ceylon and the Philippines, where annually the disease rages in epidemics, the experiment has resulted in a new step forward for medical science. Where before there was only inoculation against this dread disease, and that not a sure-fire preventive, there is now tested knowledge that through the proper use of blood plasma, sulfadiazine, and saline solution, "no one need die of cholera."

Where previously 30 per cent to 80 per cent of all cholera victims died, 100 per cent recovery is assured through this new treatment, according to Comdr. Julius M. Amberson, MC, USN, officer in charge of the experimental unit, now in Washington.

Dramatic description of the effects produced by this combination of plasma and drugs was first given me shortly after the history-making Epidemiology Unit No. 50 first came to Calcutta in June 1945.

The burning ghats, or funeral pyres, were then piled high with bodies of Hindus who had died of cholera. The American scientists became familiar with the sunken eyes, pinched noses, and anxious expressions of the victims. They

learned to . . .



recognize the signs: shrunken "washerwoman" hands and feet, feeble, a fever, constant diarrhea and vomiting which leaves the body dehydrated, toxic absorption which causes muscular cramps and collapse.

Like the majority of the cholera victims came from the poorer, less educated classes, it also strikes the homes of the richest. No respecter of class, sex, or race, the epidemic struck down 3,335 people in Calcutta from January through June 16, 1945. Of these 1,192 died. Only a few Americans, who were sailors, contracted the disease, and only one, an American Negro pianist (Teddy Merford), died. Fifteen British military residents of the Grand Hotel in Calcutta were stricken and one died.

All American troops were bombarded with radio reminders and posters exhorting them to "eat only at Army messes or Red Cross clubs, eat no raw fruits or vegetables, drink no unapproved water, and renew your inoculations!" Because of this excellent preventive campaign, no death among American military personnel was reported during that epidemic. But, hardly had this epidemic reached its peak when another broke out in Chungking, China.

Comdr. Amberson radioed the procedure which his experimental unit had already determined to be highly successful to the Navy Surgeon General, Vice Admiral Ross T. McIntire, who gave this new medical news not only to the American medical units there, but also to their allies, the Chinese. A plane loaded with plasma, sulfadiazine, and saline solution went over the "Hump" to save the lives of hundreds.

Of the 400 cases in Calcutta selected by the Navy epidemiologists for their experiment, one group was treated with sulfaguanadine, one with sulfadiazine, one with penicillin, and one with sulfadiazine and penicillin combined.

In laboratory experiments it had been determined that these drugs worked against the cholera organism. But in humans, the onset of the disease was so sudden and severe, with circulation slowed down because of dehydration and loss of blood serum, that the valuable drugs could not be mobilized rapidly enough to make the battle an equal one. Because of the great concentration of red blood cells which would not circulate, gangrene set in in the feet and hands of the victims.

Comdr. Amberson conceived the idea of using blood plasma to thin out the thick, jelly-like consistency of the cholera-infected blood, and help the patient's body perform its normal functions while the sulfadiazine got in its good work.

As soon as the plasma was pumped into the collapsing veins of an Indian dying of cholera, the pulse in the bony brown arm grew stronger. His lids opened, and his hazy black eyes began to focus, as he opened swollen lips to whisper huskily for "Panee!" "Panee!"

Eight or nine days later, the cholera victim, who would have been on a funeral pyre within 12 hours had he not received this treatment, walked out of the hospital, completely cured.

In summing up the results of the experiment, Comdr. Amberson says in his report:

"From results of the tests made by our Epidemiology Unit No. 50, we recommend:

"That sulfadiazine . . .

"That sulfadiazine plus adequate quantities of salines and supportive therapy be accepted as the treatment in mild and uncomplicated cases of cholera.

"That this treatment be supplemented with penicillin in cases of moderate severity, especially where pneumonia is a complication.

"That plasma plus salines be administered in sufficient amounts to elicit a rapid clinical response in severe cases of shock or circulatory failure, and that this be continued long enough to mobilize the effect of the penicillin or sulfadiazine."

Only two of the cases treated had previously had cholera inoculations. In both the onset was sudden but the symptoms were mild, and both were discharged after three or four days' treatment. This led Comdr. Amberson to observe that "cholera vaccine is of value in lessening the severity and duration of illness. Death is almost certain without treatment. Chemotherapy and saline solution alone will lower the expected death rate, and with the additional use of plasma, the recovery of every cholera victim can be assured."---USIS.